

# 3

## Social affairs

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The COVID-19 pandemic illustrated the dramatic consequences of having weak health and social protection systems as well as fragile supply chains of fundamental goods, notably food, when severe crises hit. This chapter highlights how existing weaknesses in MENA countries can increase the risk for crisis-induced poverty for many vulnerable groups, in particular informal workers, women and youth. It discusses policy solutions – including the promotion of a digital eco-system – to implement a growth model where decent jobs and career opportunities for all become the norm in MENA countries' labour markets.

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## Key takeaways

- In the MENA region the COVID-19 outbreak occurred in a context of weak health and social protection systems as well as weak supply chains of fundamental goods, notably food. Considering the large share of vulnerable groups in the population, in particular informal workers, women and youth, these existing weaknesses increase the risk that the pandemic induces poverty.
- MENA countries are historically characterised by low levels of social protection spending, varying on average between 2.5% and 7.6% of GDP compared to the OECD average of 20%. Following the coronavirus outbreak, governments in the region implemented successive rounds of relief and social assistance measures. Nevertheless, vulnerable communities were disproportionately affected.
- **The pandemic has exacerbated inequalities, creating a compounding effect on pre-existing vulnerabilities.** Baseline growth forecasts for the MENA region indicate that the share of population earning less than 5.5 USD per day could increase from about 174 million to 192 million by the end of 2021, potentially pushing 18 million people below the poverty threshold.
- **The pandemic put unprecedented stress on food supply chains, worsening food insecurity and malnutrition in the MENA region.** In 2020, those suffering from food insecurity in the total MENA population were approximately 12%, which is especially high given the overall for the world's total population is 6%.
- In the decades preceding the crisis, MENA countries made significant improvements in developing their health infrastructure, technology and human resources in both the public and private health sectors. Nevertheless, **MENA health systems were not prepared for a global pandemic.**
- **The pandemic revealed the importance of comprehensive data and information systems on social assistance.** Countries that had invested in their information systems were able to leverage them for rapid, high-coverage scale-up of social protection responses, while the lack of information limited the ability to reach marginalised groups. In this context, broad assistance responses, while quickly implemented, have shown their limitations, for instance by not being sufficiently gendered. As COVID-19 has accelerated the shift towards digital transformation, technology has an important role to play in enhancing vulnerable groups' access to social services.
- **Youth and women unemployment in the broad MENA region is among the highest in the world.** In the Southern Mediterranean, 70% of the working-age population is under 30 years old – a share expected to grow considerably. Due to the COVID-19 crisis, it is estimated that over half of the young people in the region moved to the informal sector. Moreover, the impact on young women's employment was more significant than on young men's. This occurred in a context where unemployment rates of young women are nearly double the rate of young men, due to legal and social barriers, as well as a lack of skills, e.g. digital skills, that limit women employability
- MENA governments should promote a digital eco-system to open new education and employment opportunities for youth and women as well as foster a culture of entrepreneurship and private sector development. Youth and women's empowerment should be a cornerstone of the recovery efforts to fully harness the contribution of young people and future generations in building sustainable growth – an economic growth model where decent jobs and career opportunities for all are a normality in the labour market.

Prior to the COVID-19 crisis, MENA countries<sup>1</sup> were characterised by relatively low levels of social protection spending, varying on average between 2.5% and 7.6% of GDP, compared to the OECD average of 20% (UN, 2020<sub>[1]</sub>). The pandemic exacerbated the risk of poverty and inequalities. Baseline growth forecasts for the region indicate that the share of the population earning less than USD 5.5 per day could increase from about 174 million to 192 million by the end of 2021. Thus, potentially 18 million people would be pushed below the poverty threshold because of COVID-19 (World Bank, 2021<sub>[2]</sub>).

To counter the increase in poverty, governments have been quick to take measures to maintain economies and provide social protection in response to rising unemployment induced by restrictions on mobility and economic activity. Countries, in the MENA region, implemented successive rounds of relief, and social protection measures, including social assistance, insurance, and labour market measures (OECD, 2020<sub>[3]</sub>). Nonetheless, many vulnerable groups with little official visibility could not be reached.

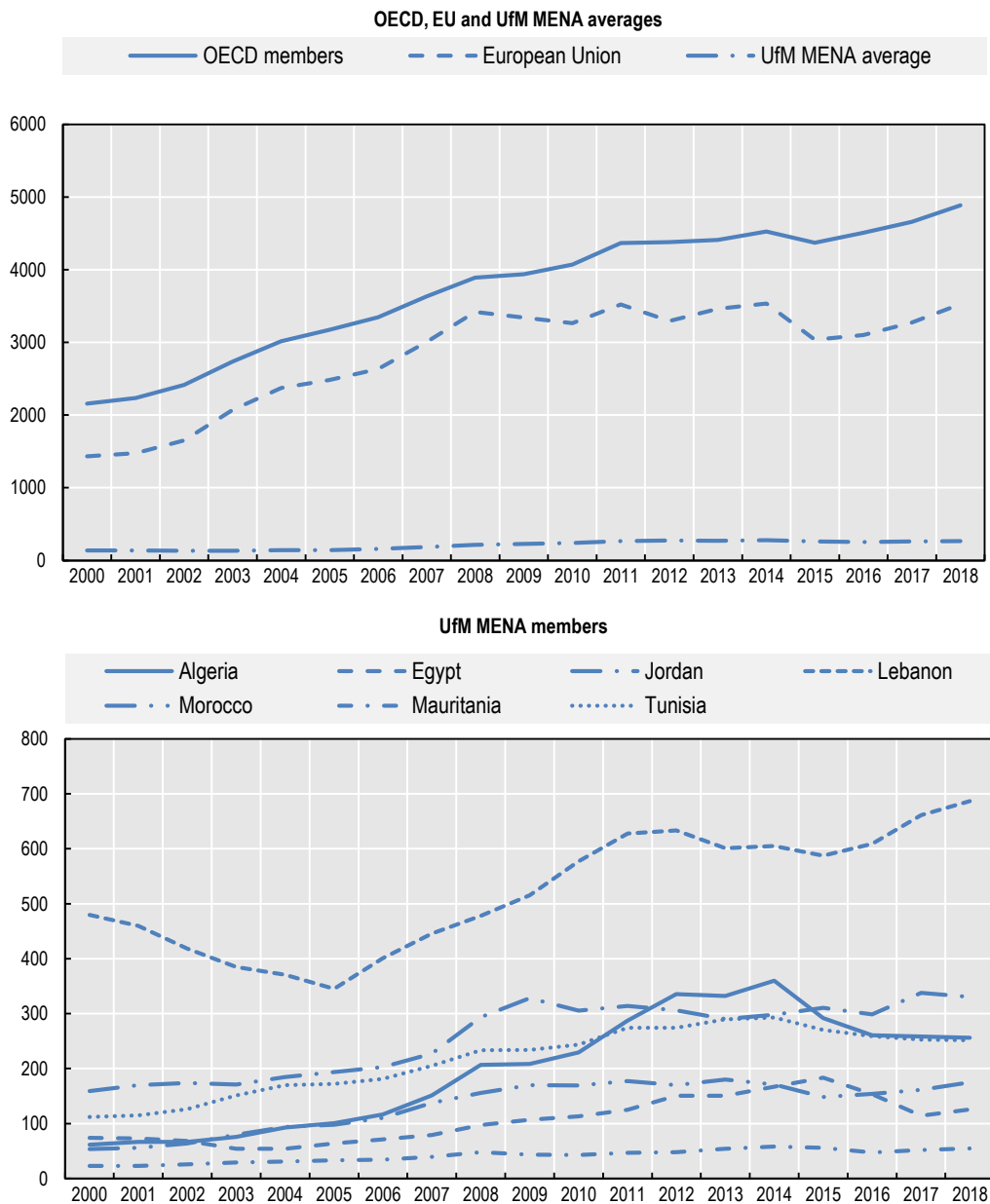
## Vulnerabilities: health and social protection systems, food supply chains

### ***Health systems were not prepared***

In the decades preceding the pandemic, MENA countries made significant improvements in developing their health systems. Health infrastructure, technology and human resources have improved in the public and private health sectors, and countries including Egypt, Jordan, Lebanon and Tunisia have become regional medical hubs, serving foreign patients. The same countries developed free or low-cost health coverage (World Bank, 2021<sub>[4]</sub>). However, the COVID-19 crisis brought to light the limits of the region's health care systems, revealing their fragility and questioning their effectiveness. Indeed, despite recent progress, the region's level of preparedness to confront the global pandemic was not sufficient. Prior to the pandemic, health expenditures per capita reached 520 current USD on average in MENA countries, compared to an average of 4 885 current USD for OECD members. Moreover, in the region, health care remains to be largely provided through private facilities that charge fees. Low expenditures in public health relative to the public sector's wage bill seems to have shifted more of the financial burden of health care toward individuals (World Bank, 2021<sub>[4]</sub>). In general, across countries in the world, a persistent shortage of health workers and a high gap between investment in curative care at the expense of investment in preventive care is observed (OECD, 2021<sub>[5]</sub>).

Figure 3.1. Health expenditure per capita, selected regions and countries, 2000-18

Current USD



Note: Data for the Palestinian Authority are not available.

Source: World Development Indicators, <https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD?end=2018&locations=OE-DZ-EG-JO-LB-MR-MA-TN-PS-EU&start=2000>, World Health Organization Global Health Expenditure database 2021, <https://apps.who.int/nha/database>

Preparedness to deal with a pandemic varied across among MENA countries (OECD, 2020<sup>[6]</sup>), as also measured by the Global Health Security Index (Table 3.1). In 2019, while high-income countries featured an average score of 51.9, the average score for MENA countries was 36.2, slightly lower than the world average (40.2).

**Table 3.1. Global Health Security Index, MENA countries, 2019**

Score from 0 to 100

	Index score	Country ranking /195	Category
Algeria	23.4	173	Least prepared
Egypt	39.9	87	More prepared
Jordan	42.1	80	More prepared
Lebanon	43.1	73	More prepared
Mauritania	27.5	157	Least prepared
Morocco	43.7	68	More prepared
Tunisia	33.7	122	More prepared

Note: The GHS Index is a comprehensive assessment of global health security capabilities in 195 countries; data for the Palestinian Authority are not available. The country categories are: least prepared, more prepared, most prepared.

Source: GHS index 2019, <https://www.ghsindex.org/about/>

- Unlike many other countries in the broad MENA region, Jordan has taken a preventive approach to tackling the pandemic. The country was quick to introduce strict containment measures and enforcement before a certain number of COVID-19 confirmed cases and deaths were reached. Simultaneously, Jordan also undertook important investments in healthcare infrastructure and increased the number of medical personnel.
- However, health care systems in other MENA economies, such as Egypt and countries in the Maghreb region were particularly challenged and still face difficulties in preventing, detecting and responding to the virus. Systems were rapidly saturated and suffered from shortage of medical facilities and equipment, as well as a lack of human resources to deal with the pandemic. The number of medical personnel, nurses and midwives per 1 000 people is as low as 0.72 in Morocco and 0.79 in Egypt compared to 4.5 per 1000 people recommended by WHO (World Bank, 2020<sup>[7]</sup>). Moreover, the territorial concentration of hospitals and health care facilities in urban areas prevented the population living in rural and peripheral urban areas from accessing health care.
- In fragile areas such as in the Palestinian Authority, and to some extent Lebanon, the health care systems were unable to cope adequately with the COVID-19 outbreak. On the one hand, preventive measures are ineffective due to insufficient water, sanitation and hygiene services; on the other, the fragile economic situation of the population has to be balanced between the risk of infection and the inability to make a living (OECD, 2020<sup>[6]</sup>).

The pandemic also took a special toll on maternal health services, which includes antenatal care, delivery care and postnatal care services, with many countries in MENA reporting a drop in these services (UNICEF, 2021<sup>[8]</sup>).

Finally, during the pandemic, economic crisis risk factors generally associated with high level of stress – such as financial insecurity – have been exacerbated, while stabilising elements such as security of employment or access to health services have been limited by successive containment measures (OECD, 2021<sup>[9]</sup>). OECD studies show that in member countries, for which data exist, the mental situation of the unemployed and financially insecure was worse than that of the general population - a trend that predates the pandemic, but which appears to have accelerated with the COVID-19 outburst (OECD, 2021<sup>[10]</sup>). In the MENA region data are scarce, but a study involving a panel of more than 6000 citizens in 18 countries in the region found a similar trend, i.e. the pandemic brought a deterioration in the well-being of part of the adults in the region (Al Dhaheri et al., 2021<sup>[11]</sup>). The study suggests that the pandemic has eventually drawn attention to mental health awareness, which in turn translated into an increase in alertness among the health care professionals in identifying and targeting high-risk groups in the population, who are more at risk of developing mental health pathologies. Understanding of the strong causal links between people's psychological well-being, standard of living, and resilient health services made a significant improvement (OECD, 2021<sup>[10]</sup>).

## COVID-19 exacerbated inequalities despite social protection measures

Social protection measures implemented to cope with the impacts of COVID-19 covered social assistance, social insurance and labour market programmes. Many of these measures were built on, and expanded, existing social protection policies, strategies and programmes (OECD, 2020<sup>[6]</sup>), (IMF, 2021<sup>[12]</sup>). Increasing coverage was implemented either through vertical expansion, where existing beneficiaries obtained additional benefits, or through horizontal expansion, which involves targeting additional beneficiaries especially in the more fragile populations often excluded from social coverage.

Due to the need to act quickly, many measures were not tailored, but had the advantage of being quick to implement and worked relatively well in the short term. Despite evidence of the socio-economic impact and burden of the pandemic on women, only 18% of the world's social protection responses were gender sensitive, i.e. addressing women's economic security and/or the increased burden of care (UN Women and UNDP, 2021<sup>[13]</sup>). This is a worldwide trend, recent data show women and girls are far less likely to receive COVID-19 relief than men (UN Women, 2022<sup>[14]</sup>). There is however a clear understanding of the need to implement targeted measures. In that regard, MENA countries were very active in dedicating gender sensitive relief in a fair share of the total measures adopted (Table 3.2.).

- An example of gender sensitive initiatives concerns Egypt, where the National Council for Women (NCW) reviewed all government measures for gender equality. It recently released the third version of a policy indicator to monitor measures and programmes undertaken in the context of the pandemic (OECD, 2020<sup>[3]</sup>).

**Table 3.2. COVID-19 Policy responses in MENA region**

Country	All measures	Gender sensitive	Unpaid care	Violence against women	Womens' economic security
Algeria	9	2	1		1
Egypt	48	25	4	12	9
Jordan	25	7	1	5	1
Lebanon	16	7		5	2
Mauritania	10	1			1
Morocco	22	9		5	4
Palestinian Authority	34	19	1	12	6
Tunisia	31	10		7	3

Source: (UN Women and UNDP, 2021<sup>[13]</sup>), <https://data.undp.org/gendertracker/>

Targeted responses have mainly focused on addressing the increase in violence against women. While this is a necessary action in the short term, it is important that gender considerations remain central also for economic reconstruction in the medium- to long-term. To date, few measures have specifically targeted women facing the economic repercussions of the crisis (UN Women, 2022<sup>[14]</sup>). In the MENA region, the majority of small business emergency relief policies do not fully reflect gender aspects of entrepreneurship. However, good practice examples of targeted measures on women's entrepreneurship exist and include cash transfers for women in Egypt and special paid leave in the Palestinian Authority. Governments have also offered support to women entrepreneurs, with the involvement of international organisations, often in the form of online training programmes (Egypt, Jordan). (IMF, 2021<sup>[12]</sup>).

The pandemic has also had serious consequences for **refugees and internally displaced populations**, a majority of which are women (OECD, 2020<sup>[6]</sup>). The MENA region currently hosts the largest community of displaced populations in the world, particularly in Egypt, Lebanon and Jordan. Most refugee women have faced specific difficulties in accessing basic services, and have suffered violence and economic deprivation. Refugee girls have also been at greater risk of dropping out of school in addition to purely humanitarian considerations.

The responses to the crisis did not entirely address the social hardships experienced by **the high numbers of informal workers**. Some countries, however, did introduce specific measures targeting informal workers; for instance:

- Egypt provided one-off monetary compensations (31.85 USD) to informal workers registered at the database for the Ministry of Manpower through post offices (Ministry of International Cooperation, 2020<sup>[15]</sup>).
- The Moroccan government addressed the informal sector by issuing a monthly mobile payment of 80-120 USD starting April 2020 to households that are beneficiaries of the Medical Assistance Scheme RAMED, a subsidized health insurance, and whose income has been affected by the health emergency rules. Households without RAMED operating in the informal sector and who have lost their income following compulsory confinement could also register online to receive cash support (OECD, 2020<sup>[16]</sup>).

The lack of comprehensive data on informal workers, however, complicates the development of adequate measures. It is possible that a large number of people severely impacted by COVID-19 could not benefit from the safeguards put in place, because of their non-existence in the administrative files of the competent social protection authorities.

**The COVID-19 pandemic put unprecedented stress on food supply chains, worsening food insecurity and malnutrition** in the MENA region (OECD, 2021<sup>[17]</sup>). Food insecurity in the MENA region is a growing challenge. Even before COVID-19, UN agencies estimated that over 51 million out of 465 million people within the broad MENA region were undernourished (UNICEF, WFP, 2021<sup>[18]</sup>). Within the MENA countries covered by this report, approximately 13% of the population consumes insufficient amount of food, as of May 2022. This situation is aggravated by the fact that countries in the region are among the world's largest food importers.

Overall, between October 2020 and January 2021, the number of people with insufficient food consumption increased in Algeria, Egypt, Lebanon, Morocco, Mauritania, the Palestinian Authority and Tunisia. Some countries stopped the exports of certain food products in 2020; e.g. Egypt suspended exports of all types of vegetables for 6 months in order to increase their strategic food reserves, and Algeria also banned several food products (IMF, 2021<sup>[12]</sup>). The trends for the early 2022 have shown a worsened prospect, as the proportion of people with insufficient food consumption has increased since the beginning of the year (Table 3.3), most likely due to the disruption in the food supply chains caused by the war in Ukraine. The levels remain higher than before the pandemic.

**Table 3.3. Food insecurity in the MENA region amid COVID-19 crisis**

	Population (million)	People with insufficient food consumption (million) (May 2022)	People with insufficient food consumption (million) (February 2022)	Food security trends (last 3 months : February -May 2022)	Import dependency % of cereals (2021)
Algeria	42.2	4.1	4.7	Decrease	69
Egypt	98.4	10.9	11.7	Decrease	55
Jordan	10	1.46	1.5	Decrease	100
Lebanon	6.8	1.27	1.3	Decrease	93
Mauritania	4.4	1.5	2.3	Decrease	71
Morocco	36	4.1	4.5	Decrease	50
Palestinian Authority	4.6	0.93	1	Decrease	100
Tunisia	11.6	1.32	1.3	Increase	66

Note: Food security trends represent the tendency observed over the last three months in the number of people with insufficient food consumption.

Source: World Food Programme 2022, <https://hungermap.wfp.org/>

Data show that the COVID-19 pandemic affected food-security in the MENA region to a greater extent than the rest of the world. Gender inequalities and discrimination against women and girls may potentially contribute to this fact. The gender disparity in access to food worldwide increased between 2018 and 2019 (FAO, IFAD, UNICEF, WFP and WHO, 2021<sup>[19]</sup>) and is expected to increase, as the pandemic and the measures taken to contain it impact negatively on food security and nutrition in different ways by gender (FAO, 2020<sup>[20]</sup>). While this is global, the MENA region is particularly (FAO, 2021<sup>[21]</sup>) due to the systemic limitations of the region's food supply chains.

### **Policy considerations**

Supply chains should be reinforced to build resilience and address food insecurity in the region.

- *Mitigate the risk of the region's high dependence on food imports*, including risks related to fluctuating food prices. In addition, the region needs to address food losses at the top of the supply chain by improving the efficiency of food import and storage (World Bank, 2021<sup>[22]</sup>). MENA countries can capitalise on the example of Egypt. The country is implementing a modernisation of its food import control framework. The Egyptian National Food Safety Authority has implemented a risk-based regulatory policy. Food categories with a documented history of food safety compliance are less likely to be stopped for verification and sampling upon arrival in Egypt therefore the risk of delays is mitigated and overall the system facilitates the flow of food products.
- *Increase the capacity of local agricultural productions as an engine of growth*, including for vulnerable populations (women and migrants), who are highly represented in this sector of activity. The region should invest in advanced practices and technologies adapted to a changing climate, such as hydroponics, conservation agriculture and the safe use of treated water. Digital technology in the agri-food sector should be at the heart of all strategies of post-COVID-19 reconstruction. This is especially important for developing new financial models to leverage private investment in agriculture if public spending and other policies are reviewed by governments. Development interventions are needed to help farmers adopt more productive and sustainable systems that are resilient to drought, floods and other risks.
- *Advance gender equality and the empowerment of women and girls to enhance food security*, essential to achieving the goals of the 2030 Agenda for Sustainable Development including the ones related to food security. To guide progress in this area the CFS decided to develop Voluntary Guidelines on Gender Equality and the Empowerment of Women and Girls in the Context of Food Security and Nutrition (FAO, 2021<sup>[23]</sup>). CFS Guidelines aim to assist governments, development partners and other stakeholders to advance gender equality in their efforts to eradicate hunger and malnutrition. Governments in the UfM should consider following the said recommendations to improve structurally their alimentary resilience via a sound policy framework.

**Data are key.** The pandemic has demonstrated the need for reliable data systems to support transparent and effective decision-making.

- *Improve data on health systems.* In MENA countries, there is urgent need to overhaul data systems as part of health systems reform, and to foster a culture of data openness and use. One example of relevant use of data is the case of screening capacity, a crucial element of health surveillance that is essential for disease prevention and response (de Walque, 2020<sup>[24]</sup>). The COVID-19 crisis highlighted the importance of good mental well-being as a driver of recovery, but the pandemic also highlighted gaps in targeting support (OECD, 2021<sup>[10]</sup>). In MENA countries, it is difficult to identify the extent of action required as there is little large-scale data. Thus, while decisive action to reduce the impact of COVID on mental illness is well envisaged as essential for sustainable economic recovery, it is rarely measured. An effort must therefore be made to develop indicators.
- *Improve data on social protection.* Countries that had invested in their information systems were able to leverage them for rapid, high-coverage scale-up of social protection responses (SPACE,



2021<sup>[25]</sup>). The incomplete coverage of existing information systems has limited the ability to reach some marginalised groups. Strengthening information systems is therefore critical to build better systems for the future and will require investment over the next few years. The window of opportunity to ensure the development of inclusive information systems is now (GIZ, 2019<sup>[26]</sup>).

- UfM members that have already launched programmes to implement these types of tools, such as Egypt, Jordan, Mauritania, Tunisia and Palestinian Authority (ESCWA, 2019<sup>[27]</sup>), should capitalise on the achievements and develop them into more integrated systems.
  - The Moroccan Single Social Register (RSU) is to be launched in 2022, and will function as a one-stop application portal for all the country's administrations. Households will register with the RSU and update their data. The agency that manages the RSU will provide data on eligible beneficiaries to implementers of social programmes. The programme is planned to operate in conjunction with the National Population Register (NPR). The basic identification numbers provided by the NPR will be the basis for the registration of potential beneficiaries in the RSU (Ministry of Culture, 2021<sup>[28]</sup>).
  - As COVID-19 has accelerated the shift towards digital transformation, there is a possibility that in the long-term, access to social services and assistance will shift to remote documentation and registration.
- *Improve knowledge of impact of relief measures.* The shortcomings in data systems in the MENA region is compounded by insufficient knowledge about the efficiency of social relief measures on economies and target populations. In many countries across both the developed and developing world, this led governments to embark on numerous regulatory measures to protect the population from the pandemic based on “trial and error”. For instance, despite the strength of evidence on social protection as an effective poverty reduction instrument, there is still little indication on which types of instruments deliver which types of outcomes for different groups (ODI, 2020<sup>[29]</sup>). There is even more limited evidence on how women and men respond differently to shocks, what gendered information should be collected for early warning purposes, or how social protection information systems can generate information for inclusive decision-making (SPACE, 2021<sup>[25]</sup>). Only now, considering the amount of measures introduced around the world, a comprehensive ex-post analysis is possible.
  - *Produce gender- and age-disaggregated crisis data* that address both the need for social support, targeted economic recovery and health (Gatti et al., 2021<sup>[30]</sup>) to depart from one-size-fits-all social policies that will not be sustainable in the long-term. Therefore, all institutions collecting crisis data should not only expand their work but also integrate a gender perspective, along with other cross-cutting elements of vulnerability e.g. rural-urban disparities. The OECD has identified two different levels of action as priorities, i.e. extend the spectrum of data collection on the subject and integrate gender sensitive data.
  - *Promote the implementation of digital technologies.* Better understanding of needs and a rationalised relief can be achieved due to new digital technologies. The latter play an important role in crisis response. Vulnerable groups' access to and use of technology should be of particular importance. Digital technologies help state authorities reach remote groups traditionally excluded from social assistance schemes, i.e. through the introduction of e-wallets and mobile applications for money transfer.
  - *Consider the long-term effects of the pandemic on vulnerable groups of the MENA's population.* MENA economies should, in particular, reflect on how to take advantage of the impetus created by the necessity to survive the crisis, to build long-term perspectives on how making progress against the Sustainable Development Goals (especially goals 1-5 and 10). The COVID-19 crisis has amplified the vulnerability of some groups, but the initiatives taken for the recovery could pave the way for a better future.

- *Sustain regional and national efforts to develop resilient health care systems* by continuing their investment measures, creating innovation opportunities and boosting the research and development sector. In this way, strengthening the role of the private sector and enhancing public-private partnerships is key. In Morocco for example, public-private partnership between the Ministry of Industry and various private sector companies enabled the development of locally produced Intensive Care Unit beds, easier to acquire than those imported from abroad (OECD, 2020<sup>[6]</sup>). The private sector is particularly important in providing services in areas facing political and civil unrest, where government services are unavailable or saturated.

## Opportunities: digital economy and women and youth economic empowerment

The economic slowdown resulting from the COVID-19 crisis exacerbated the vulnerability of women and youth in the MENA region, for whom unemployment was already particularly high before the pandemic (Table 3.4).

**Table 3.4. MENA unemployment rate, by age and gender**

		Total	Men	Women	
Algeria	Unemployment rate (%)	13.6	10.8	26.2	2017
	Youth (%)	39.3	33.1	82.0	2017
Egypt	Unemployment rate (%)	7.8	4.8	21.6	2019
	Youth (%)	19.2	12.2	49.3	2019
Jordan	Unemployment rate (%)	16.8	15.4	24.1	2019
	Youth (%)	37.3	34.8	49.4	2019
Lebanon	Unemployment rate (%)	11.3	10	14.3	2019
	Youth (%)	23.4	24.5	21.4	2019
Mauritania	Unemployment rate (%)	10.3	9.7	11.4	2017
	Youth (%)	21.1	18.8	24.9	2017
Morocco	Unemployment rate (%)	9.3	8.8	10.7	2016
	Youth (%)	22.2	22	22.8	2016
Palestinian Authority	Unemployment rate (%)	25.9	22.5	40.1	2020
	Youth (%)	42.1	36.6	70.0	2020
Tunisia	Unemployment rate (%)	15.1	12.3	22.2	2019
	Youth (%)	34.9	33.8	37.2	2017

Note: Latest data available, ILO estimates

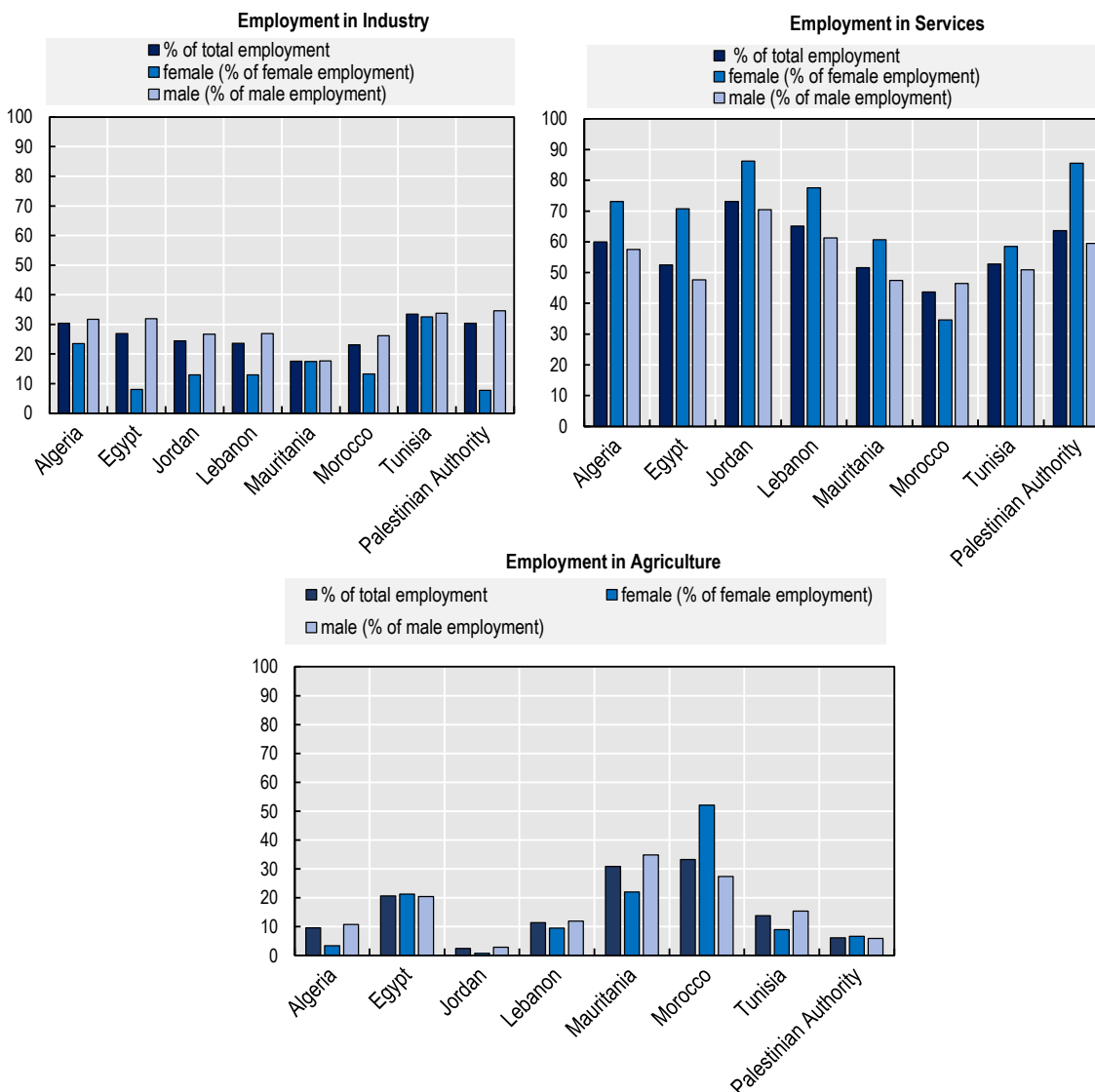
Source: ILOSTAT 2021, <https://ilostat ilo.org/data/country-profiles/>

The youth population is expected to grow by 40% to almost 600 million by 2030 (Middle East Institute, 2019<sup>[31]</sup>). Up to 80% of youth in the region work in the informal sector, and they are more likely to be under temporary contracts, often in sectors that have been severely hit by the crisis such as travel and tourism and restaurant sectors (OECD, 2021<sup>[32]</sup>).

It is estimated that women in the larger Arab world will lose approximately 700,000 jobs as a result of the pandemic (ESCWA, 2020<sup>[33]</sup>). The effects of the pandemic on women and men workers are also dependent on the sector and conditions of their employment, which typically differ for male and female workers (Figure 3.2). In the private sector within the broad MENA region, women represent a significant share of the workforce in the low segments of the manufacturing industry, which was severely affected by disruptions from both supply and demand shocks.

- In Tunisia, 26% of women are employed in the manufacturing sector, where they are over-represented in low-skilled and low-paying sectors such as the textile sector (OECD, 2020<sup>[3]</sup>) which came to a full stop during many months in the course of the pandemic.
- Women are highly susceptible to hold insecure, part-time jobs: data estimates that 47% and 48% of women hold part-time jobs in labour markets such as Morocco and the Palestinian Authority, respectively (ILO, 2020<sup>[34]</sup>).
- Nearly 62% of all female workers are informally employed in the MENA region (ILO data) (OECD, 2020<sup>[3]</sup>).

Figure 3.2. Employment in MENA countries, 2018



Note: This is a modelled ILO estimate. The series is part of the ILO estimates and is harmonized to ensure comparability across countries and over time by accounting for differences in data source, scope of coverage, methodology, and other country-specific factors. The estimates are based mainly on nationally representative labour force surveys, with other sources (population censuses and nationally reported estimates) used only when no survey data are available. Estimates for countries with very limited labour market information have a high degree of uncertainty. Hence, estimates for countries with limited nationally reported data should not be considered as “observed” data, and great care needs to be applied when using these data for analysis, especially at the country level.

Source: International Labour Organization, ILOSTAT database. <https://ilostat.ilo.org/data/>

**The fourth industrial revolution opens new employment and learning opportunities to youth and women.** COVID-19 accelerated the ongoing digitalisation of production processes and adoption of digital technology across businesses, as well as the intensity and extent to which businesses use digital technologies to maintain operations. Teleworking and distance learning have become standard good practice, instead of being episodic or second-best solutions.

Indeed, digital technologies can significantly facilitate access to higher education and, ultimately, enhance skills acquisition and employability of youth and women (see chapter 2). In parallel, digital technologies create new job opportunities, including via entrepreneurial ventures that build on digital tools. For instance, further development of tools for online payment and e-commerce can facilitate trade across borders and possibly enable young and women entrepreneurs in the region to reach distant markets despite the numerous constraints (e.g. limited financial resources, social attitudes, location in rural or isolated areas) these entrepreneurs might experience.

Furthermore, by virtue of digital technologies, businesses can be created that are less capital and labour-intensive than traditional ones, requiring less space for offices and production. In MENA countries, being able to dispense with the need for expensive real estate could make a difference to young and women entrepreneurs for whom access to finance can be difficult and where women face problems in leasing and owning property. Finally, the possibility of digital technologies to manage entrepreneurial projects from home offers a compromise between paid work and family responsibilities which play a pivotal role in women's labour participation in the region.

In the MENA region, the share of women in professional and technical jobs is expected to double by 2030 through digitisation, online platforms and entrepreneurship (McKinsey & Company, 2020<sup>[35]</sup>). However, enhancing women's digital skills and access to technology is a necessary but not sufficient step. Despite representing 34% to 57% of science, technology, engineering and mathematics (STEM) graduates and outperforming boys in digital skills, few MENA women pursue their careers in STEM occupations or entrepreneurship (OECD WEEF, 2021<sup>[36]</sup>). Even the best female performers in mathematics and science do not favour careers in STEM fields.

- In Lebanon for example, among students with high scores in mathematics or science, over 46% of boys reported the desire to be employed in science and engineering professions in the future, compared to only 26% of girls (OECD, 2021<sup>[37]</sup>).

A UNIDO study conducted on 1,400 women entrepreneurs in the broad MENA region manufacturing sector, revealed that few of them are leveraging the new opportunities offered by digital technologies. Around a quarter of respondents report the use of digital technologies at some stage in the design, manufacturing and selling processes of their businesses. Information and Communication Technology (ICT) usage is mostly limited to the commercial sphere and the use of social networks as an extension of private use. Furthermore, the survey revealed limited familiarity with any concepts related to Industry 4.0.

Structural gender issues (including limited access to finance, network and information; lack of mentoring and role models, social norms and gender stereotypes) combined with a digital gender gap, threatens to exclude women from the fourth industrial revolution. In recent years, women were still 20% less likely than men to have a senior leadership position in the mobile communication industry. Evidence from the Union of Arab ICT Associations suggests that while women in the MENA region represent up to 30% of the ICT workforce, they only hold 9% of the ICT high management positions (OECD WEEF, 2021<sup>[36]</sup>). More equal gender representation is important to ensure gender-sensitivity in the design of products and services and in addressing user needs.

## Policy considerations

As discussed above, analysing how general fiscal and monetary measures may affect young entrepreneurs and women-owned businesses will help identify unintended gaps, in order to design more sensitive medium- and long-term economic recovery strategies (OECD, 2020<sup>[38]</sup>). The design and implementation of COVID-19 recovery plans should capitalise on positive experiences reflected in the emergence of new women-led micro-businesses. This has been seen for instance in Lebanon, where new businesses appeared in the *social and solidarity economy* (e.g. cooking and distribution services), mostly set up by women who had lost their jobs because of the financial crisis in Lebanon prior to the COVID-19 pandemic (OECD, 2020<sup>[3]</sup>).

The points below highlight a series of features for youth and gender-sensitive policy initiatives:

- *Promote a digital eco-system to open new education and employment opportunities for youth and women.* This is in line with the UfM Mediterranean Initiative for Jobs (Med4Jobs) (UfM, 2019<sup>[39]</sup>), which aims to increase employability of young people and women, close the gap between labour demand and supply, and foster a culture of entrepreneurship and private sector development. Youth and women empowerment should be a cornerstone of the recovery efforts to fully harness the contribution of young people and future generations in building sustainable growth – an economic growth model where decent jobs and career opportunities are the norm in the labour market.
- *Improving access to finance.* This may include dedicated funding streams or dedicated shares of lending programmes. Access to public procurement is also possible based on well-defined criteria, such as price preferences on threshold procurement.
- *Increase business advice and counselling for youth and women entrepreneurs.* This can include advice on how to stabilise ailing businesses and help new entrepreneurs' grow their businesses. Promote the resilience of existing businesses in addition to creation seems particularly appropriate in a context of crisis. Equally important is to facilitate the development of a pool of women entrepreneurs as advisors and mentors, and encourage an increase in the representation of women among business angels and managers of venture capital funds.
- *Help maintain networks of entrepreneurs open to youth and women.* Networking can be effective for the entrepreneurial ecosystem, improving access to markets, finance, knowledge and suppliers. In the context of COVID-19, face-to-face events have been cancelled and networking organisations may need financial and technical support to survive and also create online activities.

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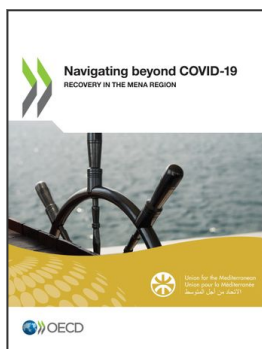
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## Notes

<sup>1</sup> In this chapter, MENA region or MENA countries refer to the group of countries that are members of the Union for the Mediterranean. These countries are: Algeria, Egypt, Jordan, Lebanon, Mauritania, Morocco, Palestinian Authority and Tunisia. Where the term "broad MENA region" is used, it refers to the group of MENA countries that include UfM and non-UfM members.





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