

# Social developments and gender dynamics

# 3

## Key messages



Poverty is projected to decline sluggishly in the Arab region over the coming years, reaching 32.7 per cent by 2025. In middle-income countries, poverty rates are expected to resume a downward trend, declining from 25.1 per cent in 2022 to an estimated 23.8 per cent by 2025. In the least developed and conflict-affected countries, poverty rates are expected to increase from 48.9 per cent in 2023 to 49 per cent from 2024 to 2025. In the GCC subregion, poverty is projected to decline from 9.6 per cent in 2023 to 9.1 per cent in 2025.



According to the 2023 Global Gender Gap Index, the Arab region's average score remains static. It has the world's most significant disparities in gender equality.



Striking gender disparities persist in labour force participation. While female labour force participation is estimated to be as low as 19.88 per cent, compared to the global average of 47.15 per cent, male labour force participation is around 70.38 per cent, close to the global average of 72.36 per cent.



Unemployment rates are expected to remain elevated in the region at around 11.6 per cent in 2023 and 11.5 per cent in 2024.



## A. Poverty and inequality

The Economic and Social Commission for Western Asia (ESCWA) projections of economic growth and its trickle down to households<sup>24</sup> indicate that from 2023 to 2025, the Arab region will continue on an uneven path of recovery from the pandemic, subject to diverging experiences across distinct country income groups. This is due to the evolving situation in commodity and energy markets in the wake of the outbreak of the war in Ukraine, and the war on Gaza and a resurgence of conflict in other parts of the region.<sup>25</sup> Based on poverty thresholds<sup>26</sup> comparable to national poverty lines, the region has witnessed a rise in poverty compared to pre-pandemic years, from 30.4 per cent in 2019 to 33 per cent in 2023. Poverty is projected to abate only marginally from 2024 to 2025, to 32.7 per cent in 2025 (table 3.1).

Poverty trends have diverged markedly among country groups, according to income level and equity of distribution. Middle-income countries have seen levels deteriorate from the pandemic years, rising from 23.3 per cent in 2019 to 24.7 per cent in 2023, and only slightly declining to 23.8 per cent in 2025. In the Arab least developed and conflict-affected countries, poverty has also increased, from 44.4 per cent in 2019 to an estimated 48.9 per cent in 2023. It is further projected to tick up to 49 per cent during the 2024–2025 period. In the GCC subregion, poverty has declined near monotonically between 2019 and 2023, from 10.7 to 9.6 per cent, and is expected to fall further to 9.1 per cent by 2025.

Across the 20 Arab countries where poverty can be evaluated, the GCC countries have the lowest levels of poverty. Algeria, Iraq and Tunisia follow, with rates of 14.6 to 17.5 per cent in 2023. These countries are poised to see their poverty rates stay at current levels or further decline by 2025. At the other end of the spectrum, Yemen entered the pandemic with a 71.6 per cent poverty rate according

to the ESCWA poverty line.<sup>27</sup> The rate is expected to further rise to around 75 per cent on average over the period from 2023 to 2025. Similarly, Somalia, the Comoros and the Sudan started with 2019 poverty rates of 69, 46.4 and 41.5 per cent, respectively. These are projected to stagnate on average over the period from 2023 to 2025 at elevated levels of 74.5, 45.4 and 43.6 per cent, respectively. The war on Gaza is threatening to drive the entire population of the Gaza strip – around 2.3 million Palestinians – into multidimensional poverty, requiring basic necessities for survival.<sup>28</sup> Poverty is expected to increase to 45 per cent in Palestine in 2023.<sup>29</sup> Furthermore, the aggressions on southern Lebanon and the significant damage incurred to cultivated land, in addition to the large number of internally displaced, are likely to increase poverty in Lebanon.

While inequality trends cannot be assessed without careful, up-to-date household budget surveys, ESCWA projections show that Arab countries have for the most part modest degrees of income inequality. Gini coefficients generally range from 27 to 36 per cent. Only a handful of countries have Gini scores in the forties. Middle-income countries as a group typically have lower income inequality, with an average national Gini of 31.9, while the least developed and conflict-affected countries have an average Gini of 33.1 and the GCC countries a score of 36.5.

These stylized facts paint a picture of divergent fortunes across the region. Middle-income countries have for the most part enjoyed modest inequality, and their poverty rates have partially recovered from the shocks of the pandemic. Recovery efforts have been less significant in the least developed and conflict-affected countries, where poverty rates have remained elevated or even continue to go up.

**Table 3.1** Poverty rates and Gini indices of inequality in the Arab region

	Poverty rate (percentage of total population)				Gini (percentage)
	2019	2023	2024	2025	2021
<b>Algeria</b>	15.07	14.61	14.23	13.85	26.91
<b>Bahrain (nationals)</b>	6.08	4.93	4.50	4.06	35.95
<b>Comoros</b>	46.38	45.75	45.55	45.36	49.98
<b>Djibouti</b>	39.25	36.33	35.69	35.11	40.90

<b>Egypt</b>	26.43	29.78	29.21	28.78	31.26
<b>Iraq</b>	15.93	14.93	14.68	14.33	27.71
<b>Jordan</b>	20.82	19.90	19.52	19.11	35.73
<b>Kuwait</b>	6.71	5.33	5.02	4.70	28.91
<b>Mauritania</b>	33.03	32.06	31.81	31.58	35.90
<b>Morocco</b>	26.49	25.62	25.13	24.70	37.64
<b>Oman (nationals)</b>	8.16	9.32	9.10	8.89	26.80
<b>Qatar (nationals)</b>	0.25	0.25	0.23	0.21	22.28
<b>Saudi Arabia</b>	12.11	10.78	10.51	10.24	42.37
<b>Somalia</b>	68.98	74.42	74.76	74.81	35.47
<b>State of Palestine<sup>a</sup></b>	19.62	19.45 <sup>a</sup>	18.99	18.57	32.36
<b>Sudan</b>	41.45	43.97	43.77	43.56	34.05
<b>Syrian Arab Republic</b>	56.53	78.61	79.99	80.03	36.49
<b>Tunisia</b>	18.18	17.46	17.12	16.67	35.30
<b>United Arab Emirates (nationals)</b>	3.18	3.04	2.89	2.74	25.26
<b>Yemen</b>	71.58	75.02	74.81	74.67	34.3
<b>Middle-income countries</b>	23.34	24.70	24.22	23.80	31.9 <sup>b</sup>
<b>Least developed and conflict-affected countries</b>	44.43	48.89	49.04	48.97	33.1 <sup>b</sup>
<b>GCC countries</b>	10.67	9.59	9.33	9.07	36.5 <sup>b</sup>
<b>Arab countries</b>	30.41	33.01	32.89	32.73	32.8 <sup>b</sup>

**Source:** ESCWA, 2023a. Based on the ESCWA Money Metric Poverty Assist Tool (<https://moneymetrics.unescwa.org/>) and ESCWA poverty lines (<https://www.unescwa.org/publications/counting-world-poor-engel-law>).

**a** Figures for the State of Palestine do not account for the October 2023 war in Gaza. ESCWA estimates that poverty will increase to 45.3 per cent in 2023, if the war on Gaza lasts for three months.

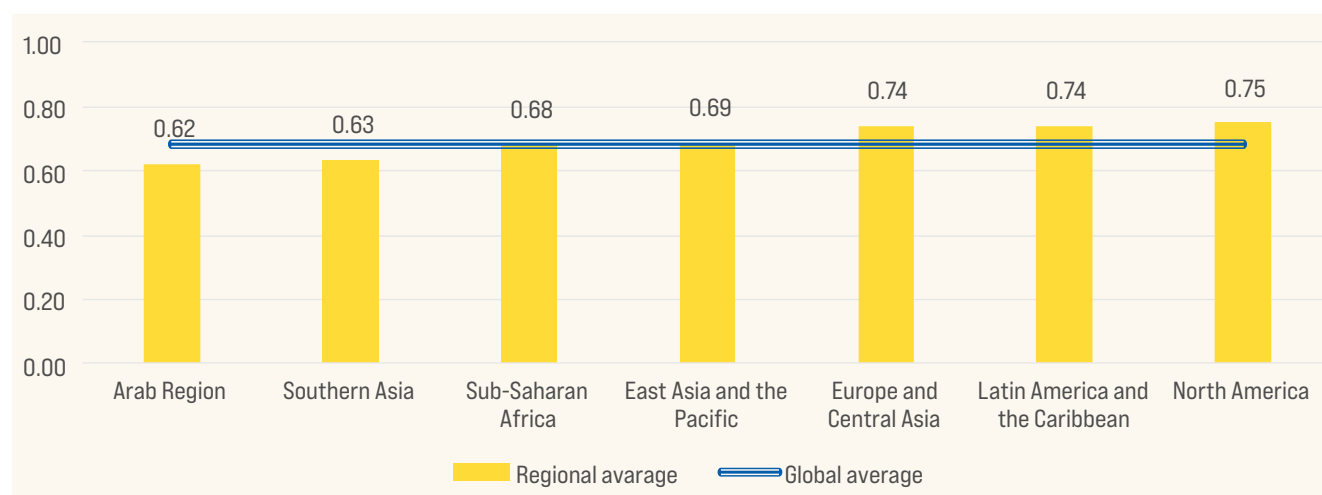
**b** Population-weighted mean national Gini indices are shown, notably disregarding between-country inequality. Lebanon and Libya are missing given a lack of recent distributional data.

## B. Gender equality

The journey towards gender equality in the Arab region confronts persistent hurdles, as is evident in the 2023 data. Despite some advancements, the 2023 Global Gender Gap Index reveals a stark reality: the region's average score remains static at 0.62, the same as the previous year, leaving a substantial 0.38-point gap. The region lags the global average of 0.68, leaving it with the most significant disparities in gender equality worldwide (figure 3.1). The majority of Arab countries unfortunately fall at the lower end of the global ranking, showcasing the broad scale and depth of gender gaps in the region. Given the current pace of progress, the sobering estimate is that it may take over 150 years to close the gap. This underlines the urgency of accelerated and sustained

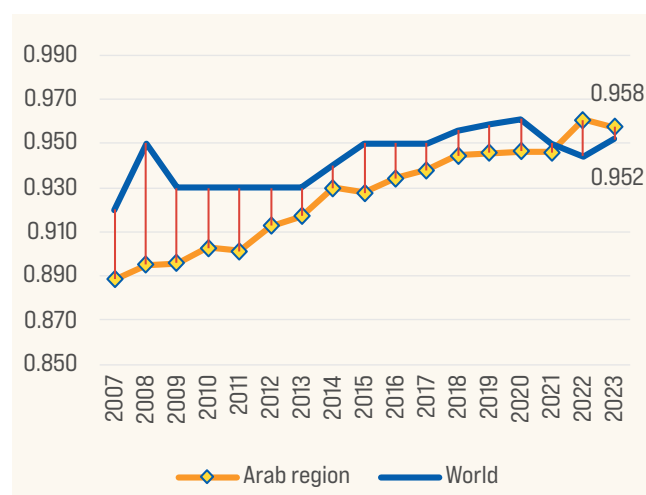
efforts in the region to enhance gender equality as a critical dimension of social and economic development.

The United Arab Emirates maintains its position as the region's top performer on gender equality, although its rank has slightly dropped to 0.712. Lebanon, previously ranking higher, has seen a decrease in its score to 0.628, causing it to slip to rank 132 globally. Algeria, Oman and Morocco are the three worst-performing countries in the region, with ranks of 144, 139 and 136, respectively. Bahrain, the Comoros and Kuwait have seen the most significant progress with increased scores. Algeria, Egypt and Lebanon have experienced the most significant declines, illustrating the mixed progress in the region.

**Figure 3.1** Global Gender Gap Index scores by region, 2023

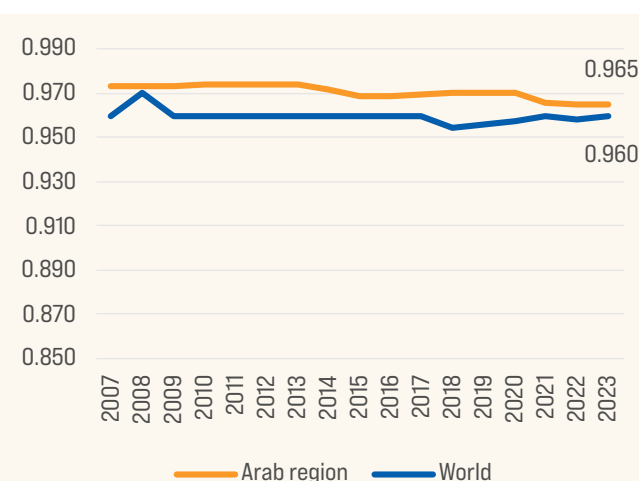
**Source:** ESCWA calculations based on the World Economic Forum Global Gender Gap Index 2007-2023.

**Note:** Regional average scores were weighted by population using population data from the World Bank's World Development Indicators database.

**Figure 3.2** The gender gap in educational attainment, 2007-2023

**Source:** ESCWA calculations based on the World Economic Forum Global Gender Gap Index 2007-2023.

**Note:** Regional average scores were weighted by population using population data from the World Bank's World Development Indicators database.

**Figure 3.3** The gender gap in health and survival, 2007-2023

## 1. Women's education

The Arab region has made impressive strides towards closing the gender gap in education over the past 16 years, with only 4.6 percentage points remaining to close the disparity in the educational attainment subindex of the Global Gender Gap Index. In 2007, the region's educational attainment subindex was 0.889, which progressively rose to a peak of 0.961 in 2022 before experiencing a marginal

dip to 0.958 in 2023. These numbers have surpassed global averages consistently since 2021 (figure 3.2), indicating firm commitment to gender parity in education. Of the 13 Arab countries included in the Global Gender Gap Index in 2012, only the Comoros and Egypt had a score lower than 0.95. Female literacy has increased by more than 13 per cent in the last 15 years, although the literacy rate remains slightly higher among young men than among young women.<sup>30</sup>

These scores must be scrutinized in a broader socioeconomic context, considering disparities among countries and socioeconomic groups, and lasting barriers to education,

particularly for marginalized and conflict-affected populations. Continued attention is needed to consolidate gains and improve the quality of education and its relevance to the labour market (box 3.1).

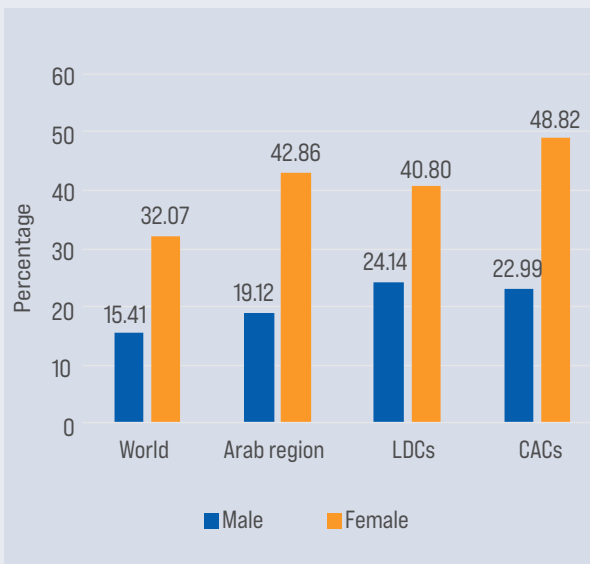
### Box 3.1 A hidden crisis: dissecting the impact of high rates of women not in education, employment or training

Despite the region's significant progress in closing the education attainment gender gap, a high number of young people (aged 15 to 24), particularly women, are not in education, employment or any type of training (NEET). The total NEET rate in the region is a concerning 30.7 per cent. A clear gap exists between men and women, with 19.1 per cent of men and a high 42.9 per cent of women falling into this category (figure 3A). This difference highlights the larger problem of gender inequality in the Arab region, where women face more obstacles to finding jobs or getting an education and training.

The problem is even more severe in conflict-affected and least developed countries, where the social and economic situation is already difficult. In these fragile environments, female NEET rates average 48.8 per cent and 40.8 per cent, respectively. In Yemen, an enormous 69.3 per cent of women are not in employment, education or training (figure 3B).

High NEET rates have deep socioeconomic impacts. They indicate that a large number of young people, particularly women, are not contributing to the economy or developing their own skills and potential. This lack of involvement in work or education can deepen poverty and social inequality. And the gap between men and women is likely to grow even wider. Women without access to jobs or desired education are less likely to gain capacities and experiences to help reduce disparities. Over time, this could lead to an even bigger gender divide, one that threatens the region's social harmony and economic growth.

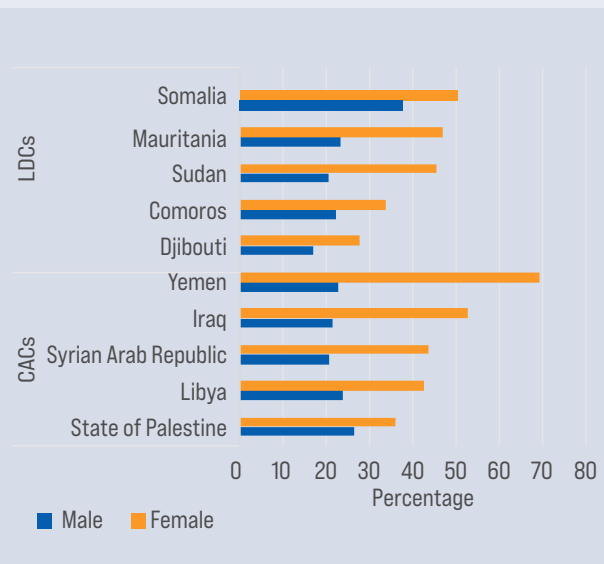
**Figure 3A** The proportion of young people not in education, employment or training, 2022



Source: ESCWA calculations based on ILO modelled estimates.

Source: ILO modelled estimates.

**Figure 3B** The proportion of young people not in education, employment or training in the least developed and conflict-affected countries, 2022



Source: ILO modelled estimates.

## 2. Health and survival

The health and survival subindex of the Global Gender Gap Index paints an optimistic picture of the Arab region's strides toward gender parity in health outcomes. The region has consistently maintained a score above the global average, moving from 0.973 in 2007 to 0.965 in 2023 (figure 3.3). This progression suggests a strong commitment to improving and maintaining women's health and well-being. Yet the region faces some persistent health disparities. Significant hurdles still arise from the limited integration of maternal and neonatal health, sexual and reproductive health, and mental health services in health systems. Moreover, health services remain largely fragmented and supply driven, with an emphasis on curative rather than preventative measures. To maintain and improve its scores, the region needs to systematically overhaul health-care systems so they promote integrated and preventative care, and address cultural and structural barriers impacting women's health.

## 3. Women's economic empowerment

In 15 years, the Arab region only made 2.3 percentage points of progress in closing its gender gap in economic participation. In 2023, the gap held at 40.33 per cent, indicating a remaining shortfall of almost three fifths. The region is considered the

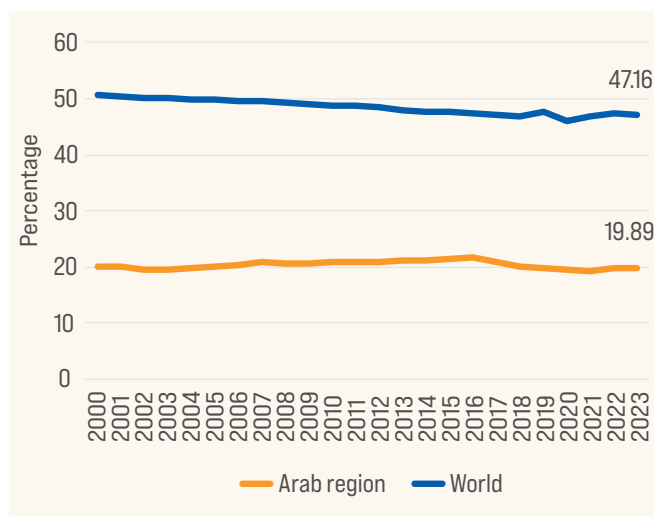
second to last after Southern Asia. It is consistently below the world average economic participation gap of 60.1 per cent (figure 3.4).

In labour force participation, the Arab region presents a unique and complex picture. As of 2023, data reveal a female labour force participation rate of 19.89 per cent, a figure that underscores the significant gender disparity in economic participation. The rate for women in the region has long been a subject of concern, fluctuating between 19.2 and 20.8 per cent over the past two decades. This relatively constant and low rate underscores a stark reality: for every five women in the Arab region, only one is actively participating in the economy (figure 3.6).

The situation is even more alarming when considering the labour force participation rate among young people aged 15 to 24, which stands at a mere 10.93 per cent. This is not only the lowest rate among all world regions but is also one of the lowest rates ever recorded in the region and globally (figure 3.7).

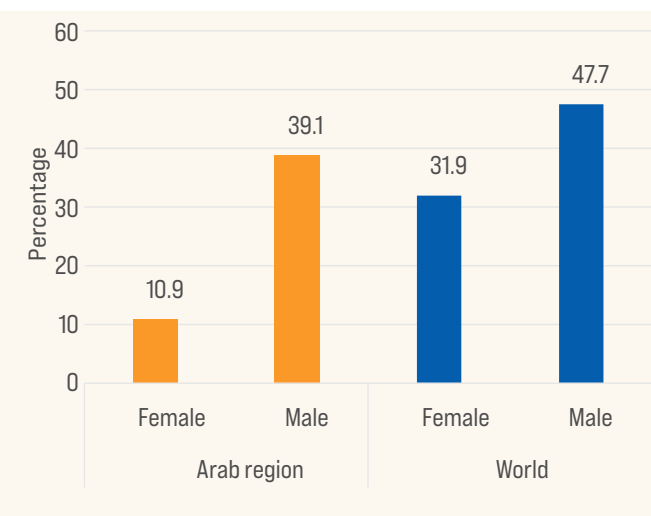
Low female labour force participation stems from deeply entrenched societal norms, legal and institutional barriers, and economic factors. Traditional gender roles often relegate women to household duties, while men are perceived as the primary breadwinners. Legal restrictions in some countries, such as Qatar, Saudi Arabia and the United Arab Emirates, limit women's ability to work in certain sectors. A lack of affordable childcare and family-friendly workplace policies further exacerbate the issue.

**Figure 3.6** Female labour force participation rates in the Arab region, 2000-2023



Source: ILO modelled estimates, 2023.

**Figure 3.7** Male and female labour force participation rates, 2022



Source: ILO modelled estimates.

Insufficient female participation in the economy is not merely a matter of gender equity; it is a significant economic constraint on the region reaching its potential. The underutilization of women's skills and talents represents a substantial loss of economic opportunity. Arab women striving to participate in the economy face a daunting array of challenges and barriers. The scarcity of female role models in leadership positions underscores the magnitude of the challenge; only 5 per cent of firms in the region have women top managers.<sup>31</sup>

## 4. Political participation

Women's engagement in the political sphere in the Arab region fell slightly between 2022 and 2023, with the mean representation of women in parliaments receding from 18.1 per cent to 17.9 per cent. This minor regression masks divergent patterns unfolding within distinctive geopolitical contexts. Despite the region registering the lowest metrics for female political participation on a global scale, observable incremental progress is evident in the development of women's political empowerment. Over 15 years, the disparity in political participation has gradually widened from 0.03 to approximately 0.14 in 2023, yet with some improvement in 2022 and 2023 (figure 3.5), indicating a tenuous shift towards a more gender-balanced political landscape within the Arab world.

Of the 22 Arab countries, 12 have introduced quotas for women legislators in a single or lower house (table 3.2). The number of seats held by women fell by 22 from 2022 to 2023, when it totalled 669 seats. This significant drop was mainly caused by the Tunisian election in December 2022, where a political sea change led to a disconcerting contraction in women's representation.

The United Arab Emirates has taken a decisive stride towards gender parity in governance, with women now occupying 50 per cent of parliamentary seats, a noteworthy achievement stemming from the enactment of mandatory quotas. In Bahrain, the November 2022 elections catalysed a modest yet symbolic elevation in female representation – the number rose from six to eight, a victory even more remarkable given that it transpired without a quota system. The legislative landscape in Kuwait exhibits a striking disparity after the 2023 elections, where a paltry 1 seat out of 50 is held by a woman, underscoring the implications of the absence of a mandated gender quota.

In Djibouti, the electoral events of February 2023 did not shift the dial on female representation, leaving the ratio of women parliamentarians unaltered at the level of the quota. In Mauritania, a combination of a reinvigorated election cycle and a novel incentive-driven election law triggered a rise in the number of female parliamentarians from 31 to 41 in 2023.

**Table 3.2** Women in national parliaments

Country	As at July 2022				As at July 2023			
	Lower or single house				Lower or single house			
	Elections	Number of seats <sup>a</sup>	Number of women	Percentage of women	Elections	Number of seats <sup>a</sup>	Number of women	Percentage of women
<b>Algeria<sup>a</sup></b>	June 2021	407	33	8.1	June 2021	407	32	7.9
<b>Bahrain</b>	November 2018	40	6	15.0	November 2022	40	8	20.0
<b>Comoros</b>	January 2020	24	4	16.7	January 2020	24	4	16.7
<b>Djibouti<sup>a</sup></b>	February 2018	65	17	26.2	February 2023	65	17	26.2
<b>Egypt<sup>a</sup></b>	October 2020	592	164	27.7	October 2020	592	163	27.5
<b>Iraq<sup>a</sup></b>	October 2021	329	95	28.9	October 2021	329	95	28.9



<b>Jordan<sup>a</sup></b>	November 2020	130	16	12.3	November 2020	130	16	12.3
<b>Kuwait</b>	December 2020	62	1	1.6	May 2023	50	1	2.0
<b>Lebanon</b>	May 2022	128	8	6.3	May 2022	128	8	6.3
<b>Libya<sup>a</sup></b>	June 2014	170	28	16.5	June 2014	170	28	16.5
<b>Mauritania<sup>a</sup></b>	September 2018	153	31	20.3	May 2023	176	41	23.3
<b>Morocco<sup>a</sup></b>	September 2021	395	95	24.1	September 2021	395	96	24.3
<b>Oman</b>	October 2019	86	2	2.3	October 2019	86	2	2.3
<b>State of Palestine<sup>a</sup></b>	-	-	-	-	-	-	-	-
<b>Qatar</b>	October 2021	45	2	4.4	October 2021	45	2	4.4
<b>Saudi Arabia<sup>a</sup></b>	October 2020	151	30	19.9	October 2020	151	30	19.9
<b>Somalia</b>	November 2021	274	54	19.7	November 2021	274	54	19.7
<b>Sudan<sup>a</sup></b>	-	-	-	-	-	-	-	-
<b>Syrian Arab Republic</b>	July 2020	250	28	11.2	July 2020	250	27	10.8
<b>Tunisia</b>	October 2019	217	57	26.3	December 2022	154	25	16.2
<b>United Arab Emirates<sup>a</sup></b>	October 2019	40	20	50.0	October 2019	40	20	50.0
<b>Yemen</b>	April 2003	250	0	0.0	April 2003	245	0	0.0

Source: Inter-Parliamentary Union Database, 2023.

<sup>a</sup> Refers to the country having a quota reserving a number or share of seats for women in parliament.

## C. Labour force

The persistent complexities of the Arab region's labour market present a formidable challenge that reverberates across the socioeconomic landscape. The region grapples with an unsettling paradox: growing youth populations and alarmingly high unemployment rates, particularly among young people and women. This disquieting reality, underscored by an intense disconnect between the skills offered by the workforce and the evolving demands of employers, casts a long shadow over the region's economic prospects. Substantial investment in human capital as a critical catalyst for enhancing education and training remains an urgent concern. The future of

the Arab labour market depends on navigating these multifaceted challenges.

### 1. Labour force participation

In 2023, the Arab region has striking disparities in labour force participation rates between men and women. The female labour force participation rate languishes at a very low 19.88 per cent, compared to the global average of 47.15 per cent (figure 3.8). This significant disparity underscores a crucial

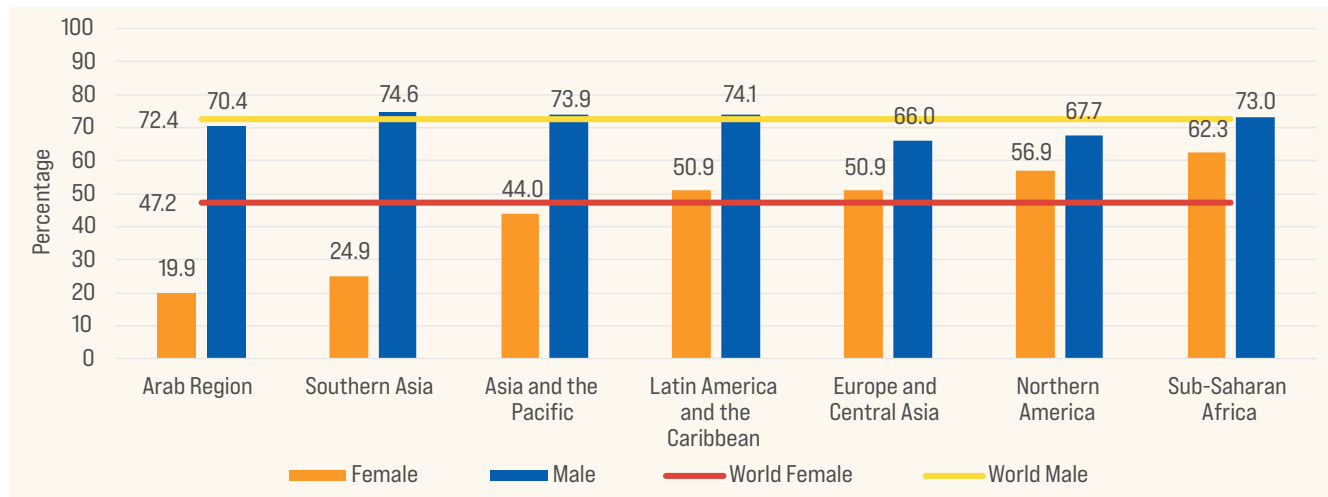


gender divide, indicative of the systemic underutilization of female skills and talents in the economy (Box 3.2). On the other hand, the male labour force participation rate remains robust at 70.38 per cent. It parallels the global average of 72.36 per cent.

For younger people, the challenges are even more evident. Young women (aged 15 to 24) have a labour force participation

rate of just 10.93 per cent in 2023,<sup>32</sup> substantially below the international average of 31.9 per cent. This indicates a severe underrepresentation and a stifling of the potential of a significant proportion of the population. The labour force participation rate of young Arab males of the same age is an estimated 39 per cent in 2023, falling slightly short of the global average of 47.6 per cent.<sup>33</sup>

**Figure 3.8** Female and male labour force participation rates, regional averages, 2023



Source: ILO modelled estimates, 2023.

### Box 3.2 World Values Survey insights: dissecting gender roles and beliefs in the Arab region

The World Values Survey is a globally recognized research project that delves into the intricacies of people's values, beliefs and changes over time, and how they impact societal structures and political systems. Conducted by a network of international social scientists since 1981, it has generated insights into national cultures through surveys conducted in nearly 100 countries. Seven Arab countries – Egypt, Iraq, Jordan, Lebanon, Libya, Morocco and Tunisia – participated in the seventh wave of the survey (2017–2022), providing rich insights into the region's gender-related values and beliefs. The survey allows the exploration of the persistence of traditional gender norms, the challenges faced in achieving gender equality and the potential impact on women's empowerment.

The data indicate a prevailing cultural norm in the Arab region favouring traditional gender roles, where men are primary earners and women are caregivers. This perspective, while varying in degree, is pervasive across the region and points towards deeply rooted societal beliefs. Such views can have significant implications for gender equality, limiting women's opportunities for professional and personal development and reinforcing gender disparities, while also restricting economic growth by diminishing women's potential in the workforce.

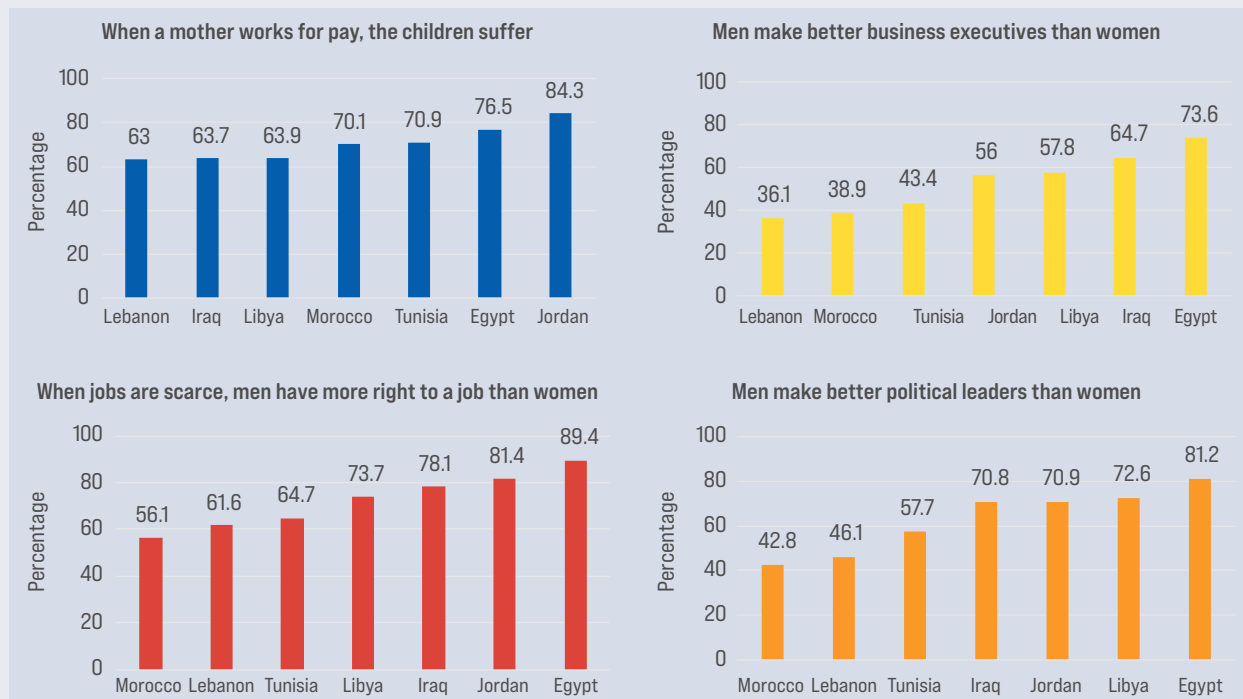
Selected indicators from the survey are integral to understanding gender roles and equality in the region. They encompass beliefs about working mothers, male superiority in business and political leadership, and gender-based job entitlement during scarcity. Each indicator sheds light on societal attitudes and helps gauge progress or regression in gender equality (figure 3C).

Analysis of survey data reveals a prevailing belief that when mothers work for pay, children suffer. The agreement rate ranges from 63 per cent in Iraq and Lebanon to a high of 84.3 per cent in Jordan, indicating a pervasive perception that a woman's primary role should be at home, caring for children. This belief can limit women's participation in the workforce and solidify traditional gender roles.

The belief in male superiority in business and political leadership is prevalent. Agreement with the notion that men are better business executives ranges from 36.1 per cent in Lebanon to a striking 73.6 per cent in Egypt. The belief in male political superiority ranges from 42.8 per cent in Morocco to 81.2 per cent in Egypt. These values echo patriarchal norms, perpetuating the glass ceiling effect and hindering women's progress in assuming leadership roles.

The conviction that men have more rights to a job than women when jobs are scarce further indicates entrenched gender inequality. Agreement with this notion reached 56.1 per cent in Morocco and an alarming 89.4 per cent in Egypt, further evidence that traditional gender roles where men are the primary earners continue to prevail.

**Figure 3C** Agreement in Arab countries on selected indicators from the World Values Survey, seventh wave, 2017-2022



Source: World Values Survey, seventh wave.

Source: World Values Survey, seventh wave, 2017-2022.

## 2. Informal employment

The prevalence of informality in the regional labour market presents a formidable challenge to economic development, with significant social implications. In 2022, the region's

informal employment rate was 64.3 per cent, with a higher incidence among males of 66.2 per cent and a slightly lower rate for females of 55.7 per cent.<sup>34</sup> These figures underscore the pervasive nature of informal employment, often typified by substandard working conditions, diminished productivity and insufficient remuneration.

The social challenges associated with informality are manifold. Informal workers often face income inequality and an increased risk of poverty due to lower earnings and a lack of access to benefits. Job insecurity is prevalent, with irregular hours, uncertain income and the risk of sudden job loss. The absence of social protection measures leaves these workers vulnerable to shocks such as illness, injury or economic downturns. Poor working conditions are common, including long hours, unsafe environments, and a lack of access to training and career development opportunities. Informal workers may also have limited access to housing, education and health-care services, which are often tied to formal employment. Social exclusion is another consequence, as informal workers are marginalized and lack representation in decision-making processes.<sup>35</sup> Informality can exacerbate gender inequality by disproportionately clustering women in precarious and low-paid jobs, and contribute to child labour, as informal sectors often have less oversight and regulation.

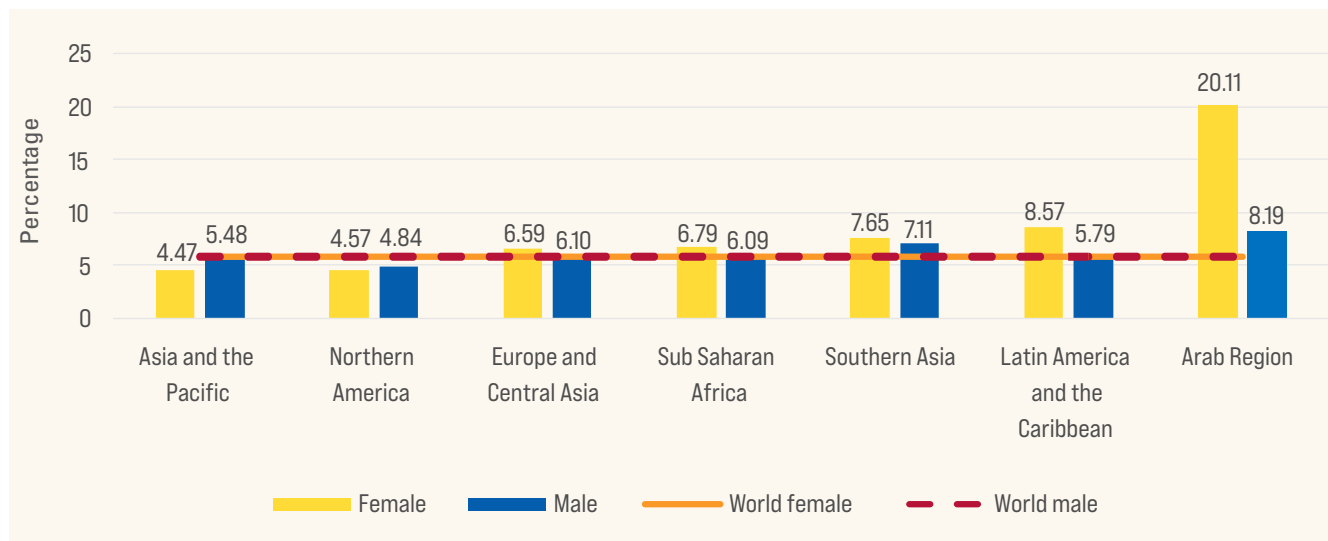
### 3. Unemployment

Alarming unemployment levels in the Arab region are particularly acute among women (figure 3.9). The female unemployment rate in 2023 reached a regional high of 20.1 per cent, significantly outpacing the global average of 5.8 per cent. The male unemployment rate is 8.19 per cent, the highest rate globally and far above the global average

of 5.7 per cent. The spectre of unemployment looms ominously large over the region's youth. International Labour Organization (ILO) modelled estimates indicate that unemployment among youths (aged 15 to 24) is a distressing 26.4 per cent, 22.2 per cent for male youths and 42 per cent for female youths. Both figures substantially exceed global averages, underscoring the urgent need to enhance youth employment prospects and mitigate the potential ramifications for social stability and economic prosperity.<sup>36</sup>

High unemployment rates largely stem from a confluence of demographic, economic, educational and sociopolitical factors. The region's significant "youth bulge", with a large proportion of the population under age 30, puts immense pressure on the job market as more young people enter the workforce each year. Economic stagnation, exacerbated by low oil prices, escalating conflicts and civil unrest, hampers job creation. A mismatch between job seekers' skills and employers' needs arises from deficiencies in education and training systems. Small and medium enterprises, which are crucial for job creation, face challenges such as limited access to finance and regulatory barriers that curtail their growth. Additionally, gender inequality results in low labour force participation rates among women. Addressing these multifaceted challenges calls for comprehensive policies that promote economic growth, enhance the quality of education and training, support the development of small and medium enterprises, and foster gender equality in the labour market (box 3.3).

**Figure 3.9** Female and male unemployment rates, regional averages, 2023



Source: ILO modelled estimates, 2022.

### Box 3.3 The ESCWA Skills Monitor: unveiling labour market dynamics in the Arab region

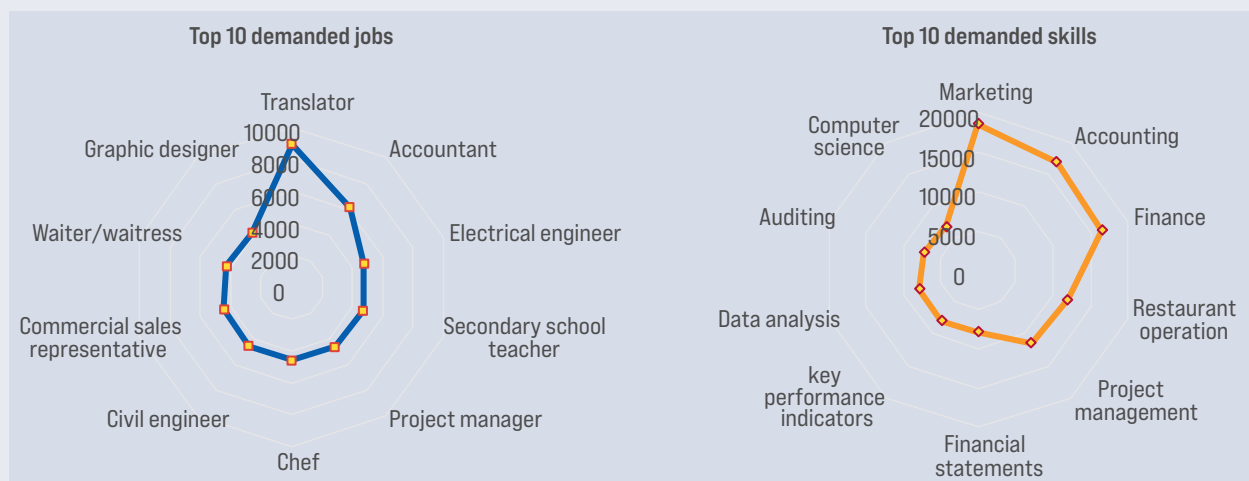
Launched by ESCWA, the Skills Monitor is a ground-breaking initiative that capitalizes on big data and machine learning to develop comprehensive understanding of the Arab region's labour market dynamics. Extracting real-time data from over 100 regional online job posting platforms, the initiative is equipped to observe and forecast job demand, evaluate the relevancy of a spectrum of skills and anticipate future employment trajectories. From January to June 2023, the Skills Monitor scrutinized 367,799 online job postings.

Analysis based on data compiled in the first two quarters of 2023 unveils a notable imbalance in labour market demand. The service and sales sectors saw surges in job demand, with jobs as translators, accountants, teachers, chefs, waiters, graphic designers and sales managers among the majority of the top 10 most sought positions (figure 3D). Demand continued to prevail for mechanical and electrical engineers.

The most coveted skills were in marketing, accounting, finance and restaurant operation. Although computer science and data analysis ranked among the top 10 most demanded skills, the region may be lagging in the Fourth Industrial Revolution. According to the World Economic Forum's Future of Jobs 2023 report, analytical thinking, creative thinking, artificial intelligence (AI) and big data will dominate global skills demand by 2027. Notably, skills most needed in the era of the AI revolution encompass those related to cloud computing, AI, sales leadership, analysis, translation, mobile app development, people management, video production, audio production, user experience (UX) design, search engine optimization and search engine marketing (SEO/SEM) and blockchain, among others.<sup>a</sup> This notable divergence between regional and global demand points to the importance of reskilling and aligning with evolving markets as many traditional jobs may potentially be lost.

An additional revelation is the gender bias in the many job postings that explicitly specify a preference for male candidates. Further, the data demonstrate a significant discrepancy between the percentage of job vacancies aimed at women versus those targeting men, across various levels. For example, at the entry level, only 24.5 per cent of job postings target women, compared to 35.5 per cent seeking men. This disparity widens to a stark contrast at the senior level, where only 18 per cent of vacancies target women versus a considerable 57 per cent aimed at men (figures 3E and 3F).

**Figure 3D** Most demanded jobs and skills in the first two quarters of 2023

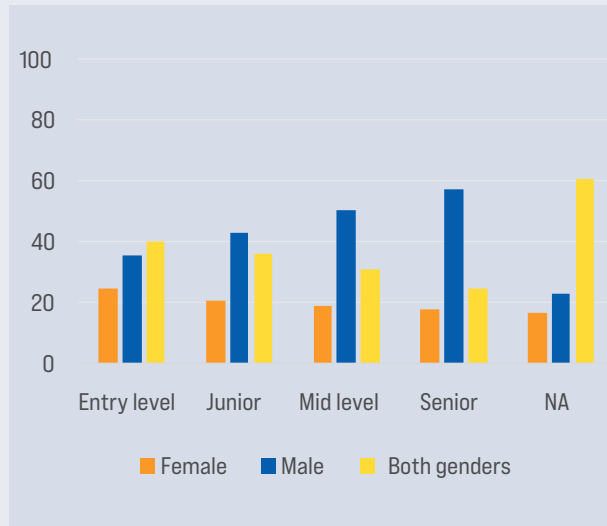


**Source:** ESCWA Skills Monitor, 2023 data.

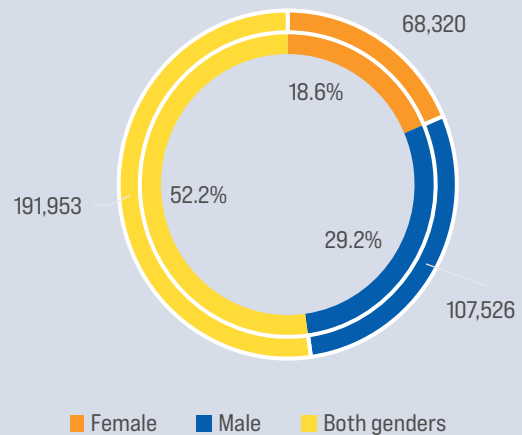
**Note:** Based on 367,799 online job postings analysed between January and June 2023.

These findings underscore ongoing gender discrimination in the labour market. It is imperative to rectify this imbalance and champion equal opportunities for both women and men, striving for a more diverse and balanced workforce. Gender discrimination otherwise will continue to exacerbate women's already high unemployment gap and low labour force participation rates.

**Figure 3E** Demanded seniority level by gender marker, 2023 (Percentage)



**Figure 3F** Job description by gender marker, 2023 (Percentage)



**Source:** ESCWA Skills Monitor, 2023 data.

**Note:** Based on 367,799 online job postings analysed between January and June 2023.

**Source:** ESCWA Skills Monitor, 2023 data.

\* Birt, 2023.

## 4. Unemployment projections

The Arab region is anticipated to continue facing a high unemployment rate, with projections indicating a persistently elevated level. The overall regional rate is expected to be 11.6 per cent in 2023, among the highest rates globally. It is projected to decrease slightly to 11.5 per cent in 2024 (table 3.3).

The least developed countries face significant challenges in generating sufficient employment opportunities, resulting in a high unemployment rate of 17.1 per cent in 2023. There is a projected decline to 16.4 per cent in 2024, however. In conflict-affected countries, ongoing strife hinders economic diversification, restricting sufficient employment

opportunities. The projected unemployment rate of 16.5 per cent in 2023 is expected to increase to 16.9 per cent in 2024.

Middle-income countries demonstrate comparatively better performance on unemployment. The projected rate for 2023 is 10.8 per cent, expected to decline gradually to 10.5 per cent in 2024. The GCC subregion exhibits the lowest unemployment rates in the region, with an expected 2023 unemployment rate of 5.1 per cent, slightly increasing to 5.4 per cent in 2024. The GCC countries have achieved job creation success by actively implementing national visions, structural reforms and economic diversification strategies. These efforts have facilitated growth in the private sector, attracted foreign investments and enhanced labour market efficiency.

**Table 3.3** ESCWA unemployment rate projections, 2023–2024 (Percentage)

	2023	2024
<b>Total Arab countries</b>	<b>11.6</b>	<b>11.5</b>
Bahrain	1.0	0.6
Kuwait	2.9	4.0
Oman	4.3	4.1
Qatar	0.1	0.2
Saudi Arabia	5.1	5.2
United Arab Emirates	3.2	3.3
<b>GCC countries</b>	<b>5.1</b>	<b>5.4</b>
Algeria	15.3	15.9
Egypt	6.1	6.3
Jordan	21.9	21.0
Lebanon	28.4	27.6
Morocco	12.9	13.8
Tunisia	16.1	15.7
<b>Middle-income countries</b>	<b>10.8</b>	<b>10.5</b>
Yemen	12.6	13.1
Libya	19.7	19.5
Iraq	16.3	17.0
State of Palestine <sup>a</sup>	22.1	20.6
Syrian Arab Republic	21.5	21.3
<b>Conflict-affected countries</b>	<b>16.5</b>	<b>16.9</b>
Comoros	6.6	7.2
Djibouti	26.0	25.9
Mauritania	10.4	10.2
Somalia	19.2	19.1
Sudan	20.6	20.7
<b>Least developed countries</b>	<b>17.1</b>	<b>16.4</b>

Source: ESCWA projections based on the World Economic Forecasting Model.

<sup>a</sup> Figures for the State of Palestine do not account for the October 2023 war in Gaza.

Lebanon faces significant obstacles to socioeconomic development, primarily due to the prolonged crisis plaguing the country over the past four years. The COVID-19 pandemic and the devastating Beirut Port explosion in 2020 further exacerbated the situation. A challenging business environment makes it difficult for companies to operate efficiently, which in turn, hampers job creation and contributes to brain drain and youth emigration as Lebanese seek better opportunities elsewhere. The unemployment rate was approximately 29.6 per cent in 2022. Although projections indicate a slight

decrease to 28.4 per cent in 2023 and 27.6 per cent in 2024, this is mainly due to a brain drain shrinking the labour force, not actual economic recovery.

Saudi Arabia has adopted an economic diversification strategy comprising various structural changes aimed at promoting the growth of the private sector, encouraging investment and tourism, attracting foreign capital and increasing exports across multiple industries. Notably, the Government has secured agreements amounting to \$2.7

billion<sup>37</sup> to establish four investment funds dedicated to developing commercial, tourism and residential projects. These comprehensive reforms and strategies to stimulate investment and growth are projected to generate job opportunities and drive a decline in unemployment rates. In 2021, the unemployment rate in Saudi Arabia was 6.62 per cent, which subsequently decreased to 5.59 per cent in 2022. Projections indicate a further decline, reaching 5.1 per cent<sup>38</sup> in 2023 and 5.2 per cent in 2024.

In alignment with its national vision for 2030, Qatar has implemented structural reforms to bolster investment, with a particular focus on green financing and digitalization. Notable initiatives include the establishment of a sovereign financing framework by the Ministry of Finance; the creation of a dedicated department within the Qatar Central Bank to formulate environmental, social and governance policies; and partnerships forged by the investment promotion agency to expedite digital transformation and foster technological innovation through foreign direct investment. These strategic measures and reforms are expected to fuel economic growth, attract more investments and generate additional job prospects. Qatar exhibited a remarkably low unemployment rate of 0.1 per cent<sup>39</sup> in 2022; projections indicate that this rate will

remain stable at 0.1 per cent in 2023 and rise modestly to 0.2 per cent in 2024.

The Palestinian economy remains exposed to significant vulnerabilities against a backdrop of sociopolitical instability. According to ILO data, in 2022, the national unemployment rate was 24.4 per cent, with projections indicating a gradual decline to 22.1 per cent in 2023 and further improvement to 20.6 per cent in 2024. However, following the eruption of the war on Gaza, unemployment rates are expected to increase significantly, and ESCWA estimates that in the Gaza strip, unemployment rate will reach at least 64 per cent,<sup>40</sup> while the unemployment rate in the West Bank is expected to increase.

Tunisia has encountered a period of economic fragility following the onset of the pandemic, with a persistently sluggish performance. The Tunisian economy faced numerous barriers that hindered its progress such as the cumbersome regulations governing investment, trade and licenses, along with limited access to finance and an expanding public administration, causing the economy to struggle in generating sufficient job opportunities.<sup>41</sup> The unemployment rate in Tunisia was 15.2 per cent in 2022, with a slight increase to 16.1 per cent<sup>42</sup> in 2023. It is projected to reach 15.7 per cent in 2024. Addressing these high rates necessitates comprehensive measures to revive economic growth and restore confidence in the job market.

### Box 3.4 The socioeconomic implications of water and food scarcity in the Arab region

In the Arab region, the intertwined challenges of ecology and climate are most evident when it comes to water and food security. A severe scarcity of clean drinking water plagues several countries, a situation that is even more alarming in the region's least developed countries, where access to essential drinking water hovers at just 60 per cent, and essential sanitation services reach only 40 per cent of people. This scarcity is echoed in dire food security numbers, with 116 million people being food insecure and 43 million undernourished, figures that skyrocket in conflict-affected areas. Complicating matters further is a contrasting health crisis: obesity. A staggering 115 million people in the region are obese, a phenomenon most prevalent in the GCC and middle-income countries.

The socioeconomic ramifications of these intertwined challenges are broad and complex. The scarcity of water and food not only threatens public health but also has a domino effect on agriculture and industry, leading to unemployment and economic downturns. This lack of resources hits marginalized communities the hardest, deepening existing social inequalities. Elevated levels of food insecurity and malnutrition, especially in conflict zones, perpetuate a cycle of poverty that hampers both social and economic advancement. At the same time, the obesity crisis in wealthier nations imposes a different but equally troubling strain on health-care systems. Collectively, these factors reveal a region in the tight grip of severe socioeconomic setbacks, primarily fuelled by environmental and climate challenges.

**Source:** ESCWA, 2020.



Egypt has positioned itself as a regional leader in implementing the 2030 Agenda through its sustainable development strategy, Vision 2030.<sup>43</sup> Challenges persist in the labour market, however, including a high reliance on informal and daily wage labour, especially in agriculture. Refugees in Egypt face difficulties in securing decent employment, often leading to informal sector jobs with low wages and long working hours. Egypt's unemployment rate was 7.2 per cent in 2022. It is projected to decline to 6.1 per cent in 2023 and then tip up to 6.3 per cent in 2024. Vision 2030 emphasizes empowering and protecting women as a crucial element of sustainable development. It sets a target to increase the female labour force participation rate to 35 per cent.<sup>44</sup>

The Sudan is currently embroiled in the conflict that began in April 2023. This is expected to further worsen the Sudanese economy, limit job opportunities, and accelerate brain drain and youth emigration. Urgent, comprehensive reforms and an immediate end to the conflict are necessary to address these concerns. The unemployment rate remains high and is projected to reach 20.6 per cent in 2023 and 20.7 per cent in 2024.

## 5. Internal displacement in the Arab region

The Arab region in 2023 faces numerous challenges related to internally displaced persons (IDPs), each shaped by a complex blend of factors such as armed conflict, natural disasters and economic hardships. The scale of internal displacement has escalated notably after the second quarter of 2023, with a majority of adverse events transpiring after July. The socioeconomic repercussions of these displacements are substantial and varied. Local labour markets face disruption, and infrastructure is stressed as communities grapple with the influx of displaced persons. In the Sudan, large-scale displacement has not only disturbed internal stability but also triggered significant outward migration. Yemen's displacement crisis is closely tied to its ongoing conflict, impacting both the economy and safety. Iraq is in a state of instability for IDPs, exhibiting both signs of hope and despair. Lebanon's geopolitical tensions further complicate the issue, while Morocco's natural disaster-induced displacement presents unique challenges in hard-to-reach mountainous areas. These scenarios often exacerbate existing social divisions, fostering a competitive environment for already scarce resources.

In Libya, the catastrophic Storm Daniel centred around the coastal city of Derna, which led to unprecedented flooding, displacing 43,421 individuals in September 2023.<sup>45</sup> This added to the 125,802 persons already displaced in Libya until April 2023.<sup>46</sup> The Sudan witnessed a massive displacement of 4,570,541 individuals (or 911,531 households) due to armed clashes, predominantly (68.44 per cent) in the capital, al-Khartoum. Additionally, 1,256,436 Sudanese migrated to neighbouring countries such as Chad, Egypt and Libya.<sup>47</sup> Iraq hosted 1,157,115 individual IDPs as at April 2023 but also saw 154,068 returnees, primarily in Mosul, Sinjar and Al-Ba'a districts.<sup>48</sup> The IDP situation in Yemen includes 28,296 individuals (4,716 households) displaced in 2023, with 54 per cent attributing their displacement to economic reasons and the remaining 46 per cent to safety and security concerns. Morocco has 145,695 displaced individuals due to the 6.8-magnitude earthquake in September 2023.<sup>49</sup> Lebanon recorded 55,183 IDPs from 8 to 28 November 2023, due to Israeli aggressions on southern Lebanon.<sup>50</sup>

The humanitarian situation in Gaza deteriorated significantly in October 2023, marked by an alarming rise in the number of IDPs. Predominantly seeking refuge in schools operated by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the IDPs sought shelter amid escalating conflict and heavy airstrikes. By 22 October 2023, UNRWA data revealed that at least 42 per cent (164,756) of all housing units in Gaza had either been destroyed or damaged since the onset of hostilities, contributing to mass displacement. Over 566,000 individuals were now seeking shelter in 148 UNRWA-designated emergency shelters, facing increasingly dire conditions.<sup>51</sup>

Given the scale and complexity of internal displacement in the Arab region, an urgent need for multi-pronged, coordinated strategies has arisen. These strategies should address both the unique and common challenges faced by each country, encompassing immediate humanitarian needs, economic resilience and social integration. Regional collaborations could be the linchpin in navigating this complex landscape, advocating for tailored and effective policy interventions. There is also an urgent need for humanitarian intervention in Gaza to alleviate the suffering of its beleaguered population and to work towards a durable solution to prevent the recurrence of such devastating crises in the future.