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**Women's Employment  
in Saudi Arabia**  
*A Major Challenge*



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## EXECUTIVE SUMMARY

*From international legislative commitments to NGOs dedicated to women's welfare, Saudi Arabia's policies and programs are promising steps on the road to women's full participation in its labor market. However, women still make up less than 15 percent of the national workforce; this represents an enormous source of untapped potential for the Kingdom, whose labor force currently relies heavily on expatriates. Legislative, social, educational, and occupational constraints prevent women from fully participating in the Saudi labor market. Overcoming these constraints will be essential if the Kingdom is to create a dynamic market economy. The introduction of sweeping reforms to the national educational system is a major step in preparing Saudi women for competitive jobs. Labor market reforms and labor law reforms—including legislation promoting gender equality and family-friendly mechanisms—should be seriously considered. In addition, Saudi Arabia should seek to create a supportive environment that encourages the design of programs to emphasize the positive role of Saudi women in the labor market and introduce women to senior employment positions.*

## THE STATE OF WOMEN'S EMPLOYMENT IN SAUDI ARABIA

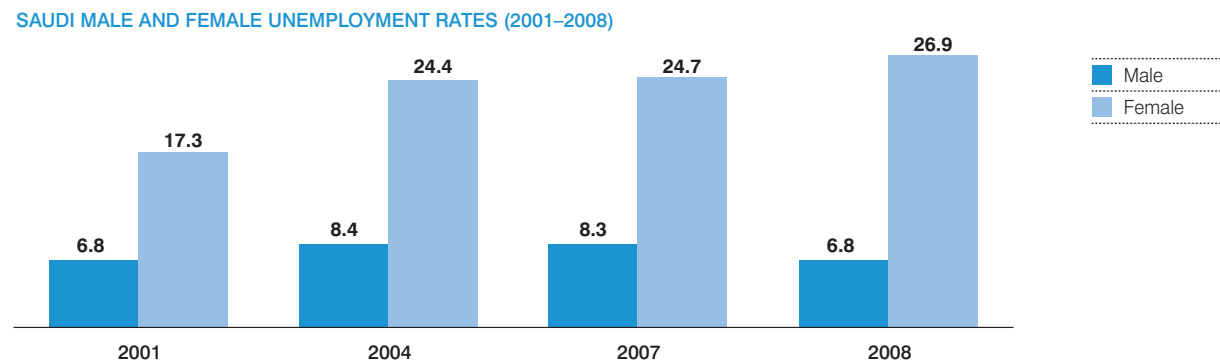
A survey of the Saudi labor market reveals enormous potential as well as significant challenges. The Kingdom's bold move to diversify away from a purely petroleum-based economy will require the skills, participation, and energy of its most valuable resource: its citizens.

In 2007, the active workforce in Saudi Arabia comprised 8.2 million people, fewer than half of whom were Saudi nationals.<sup>1</sup> Equally important, 85.6 percent of the nationals in the labor force were men.<sup>2</sup> Women in the Saudi labor force had an unemployment rate of 26.9 percent—nearly four times that of men (*see Exhibit 1*).<sup>3</sup> As the Kingdom promotes its Saudization policy, which seeks to increase the proportion of Saudi nationals in new competitive jobs, women clearly must be supported and encouraged to contribute to their nation's economy.

There are signs that this support has already begun. Since 1992, women's participation rate in the Saudi

labor force has nearly tripled, from 5.4 percent<sup>4</sup> to 14.4 percent. (The labor force, or the economically active population, includes people who are currently employed and those seeking employment.) The majority of women are working in the field of education, in both teaching and administrative positions. However, although this latest statistic is an improvement, it represents one of the lowest levels of national female labor participation in the region: The United Arab Emirates (UAE) boasts a national female participation rate of 59 percent;<sup>5</sup> Kuwait's is 42.49 percent,<sup>6</sup> Qatar's is 36.4 percent, Bahrain's is 34.3 percent, and that of Malaysia, a Muslim country outside the Middle East, is 46.1 percent.<sup>7</sup>

**Exhibit 1**  
*The Unemployment Rate for Saudi Women Is Significantly Higher Than for Saudi Men*



Source: Saudi Arabian Monetary Agency (SAMA), Forty-Fourth Annual Report, August 2008, p. 242; PK. Abdul Ghafour, "Job Seekers in Private Sector Urged Patience," *Arab News*, March 30, 2009 (for 2008 figures only)

## WOMEN'S EMPLOYMENT AND EDUCATION

Today, more than 90 percent of Saudi women actively participating in the workforce hold a secondary qualification or a university degree.<sup>8</sup> In 2006, 57 percent of university graduates in Saudi Arabia were women,<sup>9</sup> and this rising education level is a major factor in the increase of female participation in the labor force (*see Exhibit 2*).

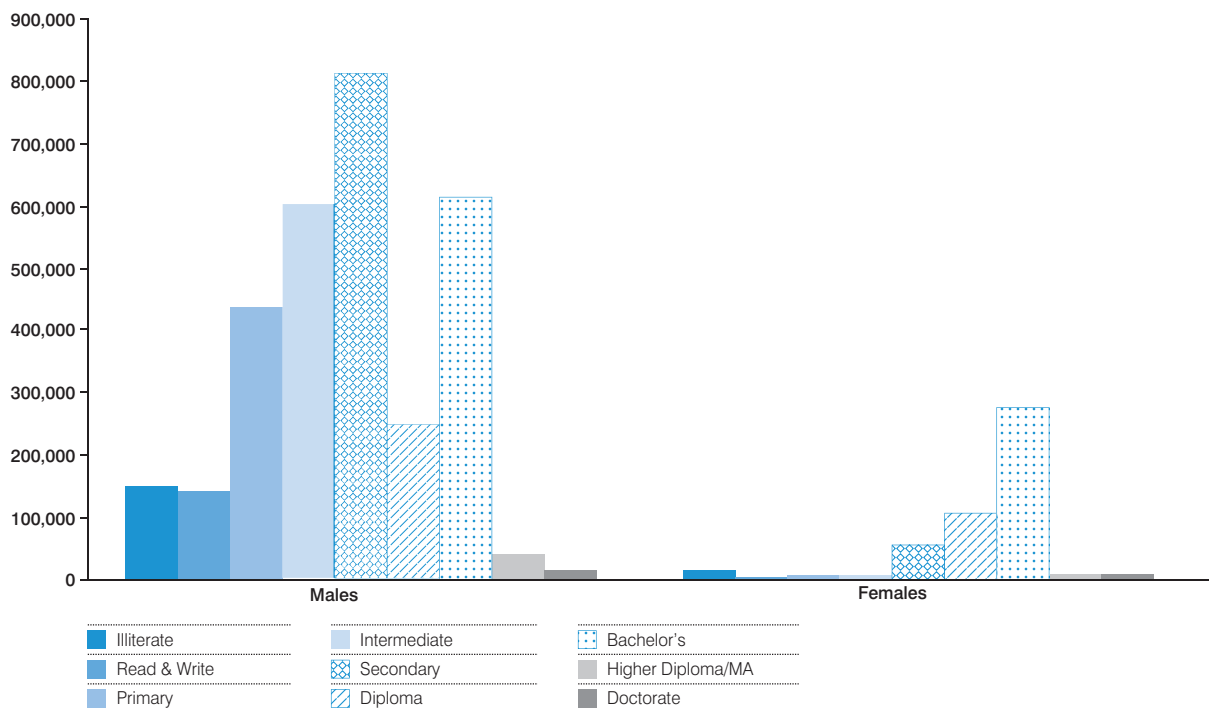
This is not to say that simply getting a degree enables Saudi Arabia's females to join the labor market—unfortunately, it does not. Indeed, according

to Deputy Minister for Labor Abdul Wahid Al-Humaid, most unemployed women are highly qualified: 78.3 percent of them are university graduates.<sup>10</sup> By contrast, 76 percent of unemployed men have only a secondary education or lower.<sup>11</sup>

The national system of education is failing to prepare Saudi women for competitive roles in the labor force, even at the highest levels; of the nation's unemployed women, more than 1,000 have a doctorate.<sup>12</sup> As a

*Exhibit 2*  
*Educated Women Are Employed in the Labor Force*

NUMBER OF EMPLOYED SAUDI MEN AND WOMEN (15 YEARS AND OLDER) BY EDUCATION STATUS AND SEX (2007)



Source: Saudi Ministry of Economy and Planning, Statistical Yearbook, 43rd edition, 2007

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result, they have been largely limited to traditional fields of work such as teaching and service businesses. In 2007, 93 percent of all female university graduates specialized in education and humanities,<sup>13</sup> while a shortage of jobs in those fields has resulted in Saudis seeking work outside their country. More than 300 Saudi female graduates have already accepted teaching jobs in Bahrain, Kuwait, and Qatar.

The Saudi labor market is affected not just by a lack of employment opportu-

nities for women but also by women's voluntary unemployment. Saudi nationals are selective in their choice of jobs, often refusing unskilled, manual, or low-paying work.

If young and educated Saudi women are having difficulty obtaining meaningful and competitive employment, the Kingdom's uneducated women are all the more challenged. In 2007, UNESCO estimated that 20.6 percent of Saudi women over the age of 15 are illiterate. With only 3 percent of

female illiterates finding an active role in the labor market, more than 1 million Saudi women are unable to enter the workforce because of their lack of education or appropriate skills.<sup>14</sup> These women—some of whom lack the support of a husband or family—suffer heavy social and economic repercussions.

Women in rural areas, who often experience higher illiteracy rates along with more conservative and patriarchal social norms, are doubly

*“We are in a dilemma: What to do with our education? Where to work? A number of girls get their diplomas but are lost afterward due to the lack of job opportunities. Saudi women should participate more in society, and there should be more social support for them to seek work opportunities so that they could also give in return.”*

— Head of a women's welfare association in Jeddah\*

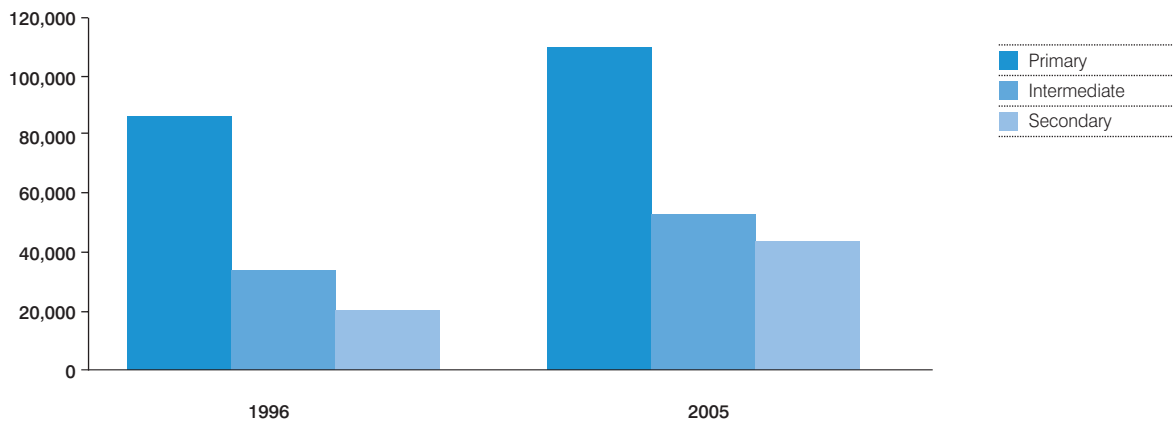
challenged: Recent regional unemployment rates indicate that rural areas offer the fewest employment opportunities. Unemployment is highest in the region of Hael, where it reached 35 percent, followed by the Eastern Region at 32 percent, Makkah al Mukarramah at 29 percent, Al Madinah al Munawarah at 28 percent, the region of Asir at 23 percent, and the lowest, Al Qassim, at 17 percent.<sup>15</sup> Even though Al Qassim is a conservative region, it has a pool of educated women who are working

as teachers in schools and at the university, mainly in the public sector. Although Saudi laws and regulations based on the Shari'a guarantee a woman's right to work, they stipulate that she should work in an appropriate environment—that is, not mixing with men or being exposed to harassment. Sex segregation by occupation is therefore prevalent in Saudi society: Women are concentrated in certain professions that are seen as feminine and remain in less distinguished positions than men.<sup>16</sup>

The public sector is the largest employer of Saudi women, providing greater job security and more advantages than the private sector does. Women currently make up about 30 percent of government employees.<sup>17</sup> Indeed, of the total population of working Saudi women, around 95 percent are employed in the public sector—a significant concentration of the active, educated female workforce. Eighty-five percent of all working women are in education, in both teaching and administrative positions (*see Exhibit 3*).<sup>18</sup>

**Exhibit 3**  
*Working Women Are Concentrated in Education*

NUMBER OF SAUDI FEMALE TEACHERS AT SCHOOL GENERAL EDUCATION LEVEL



Source: Ministry of Education; SAMA, Forty-Fourth Annual Report, 2008, p. 357

Although only 5 percent of working Saudi women are employed in the private sector,<sup>19</sup> the number of them grew between the beginning of 2006 and the end of 2007, from 40,000 women to 51,000 (i.e., a 27 percent increase).<sup>20</sup> The majority are concentrated in urban areas, near business centers (see Exhibit 4).

In the private sector, too, Saudi women work in a narrow range of jobs, such as private business and banking. The number of Saudi women working in

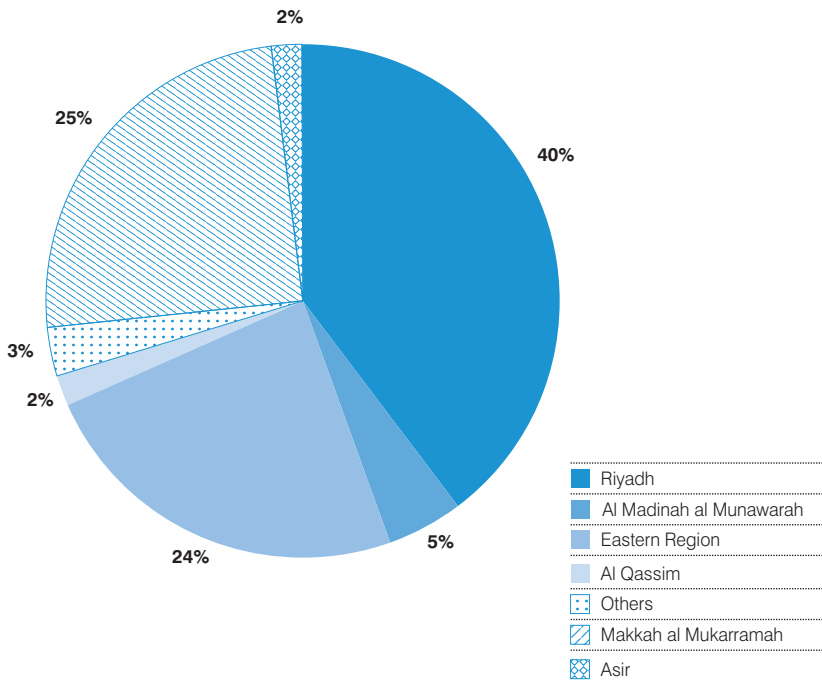
the banking sector increased dramatically—280 percent—in recent years, from 972 in 2000<sup>21</sup> to 3,700 in 2008. As part of the Saudization process, the Ministry of Labor has recently identified a number of opportunities tailored to women: receptionist, tailor, banquet-hall employee, nutritionist, governess, photographer, beautician, caterer, and hospitality or recreation industry worker.

Aside from the positions already mentioned, some Saudi women manage

their own business investments and enterprises, 97 percent of which are in wholesale and retail trade, finance and business services, and construction. Saudi women also own 12 percent of the firms in the country, including 16 percent of the large manufacturing firms.<sup>22</sup> However, the permission of a *wakil*, or male guardian, is obligatory to proceed or enter into business transactions. Although the need for a *wakil* was officially overturned, implementation of this change is still lagging.

**Exhibit 4**  
Most Women Working in the Private Sector Are in Urban Areas

DISTRIBUTION OF SAUDI FEMALE LABOR FORCE IN PRIVATE SECTOR BY REGION (2007)



Source: Ministry of Labor; SAMA, Forty-Fourth Annual Report, 2008, p. 239



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## CURRENT INITIATIVES TO PROMOTE SAUDI WOMEN IN THE LABOR MARKET

Saudi Arabia has taken many positive steps aimed at promoting women's advancement in the labor market. At the international level, the Kingdom has ratified three conventions that promote gender equality in the workforce. The United Nations Equal Remuneration Convention calls for equal pay for work of equal value, regardless of gender. Similarly, the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) bans discrimination in employment and occupation. The International Labour Organization's Discrimination (Employment and Occupation) Convention requires ratifying states to pursue a nondiscriminatory national labor policy. By signing these conventions, Saudi Arabia has committed itself to their implementation—a decision that is binding under international law.

At the national level, the government has taken a number of promising legislative steps. The Saudi labor code grants every citizen—regardless of gender—the right to work, and stipulates that firms must provide all workers opportunities for training. In 2004, the Council of Ministers approved Regulation No. (120) (12/4/1425H), a measure aimed at enhancing women's role in the economy. In addition to establishing special women's sections within the government and employment and training initiatives, the regulation called for the establishment of cross-sector coordination mechanisms, as well as a groundbreaking decision to eliminate the need for a woman to have a male guardian. In 2006, the Saudi labor code was revised to include new gains for working women in regard to maternity and medical care leave, nursery provisions, vacation time, and pensions.

The Saudization policy has identified positions particularly suitable for women. In addition, the government's Eighth Five-Year Development Plan (2005–2009) emphasized the need for more employment and advancement opportunities for women, stressing the importance of their participation in the economy. Among other

things, the plan called for a study investigating women's needs in the labor market; awareness campaigns promoting women's employment; the increased presence of women in the government and the private sector; and the provision of support services such as day-care centers.<sup>23</sup> Indeed, for the first time, the government is licensing day-care centers to help working mothers.

Building on this momentum, Crown Prince Sultan bin Abdul Aziz Al Saud announced plans in 2007 to allocate one-third of government jobs to Saudi women and to create additional job opportunities for them. The Council of Ministers recently issued a number of measures aimed at accomplishing this, in areas such as computers, librarianship, and vocational work in welfare centers and prisons.

Several government initiatives have been created to focus specifically on job creation and training. For example, the Human Resource Development Fund (HADAF) aims to increase job opportunities for Saudi women through telecommuting arrangements with private-sector enterprises.<sup>24</sup> The fund has already created employment for more than 4,120 Saudi women.

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The government also announced plans to set up 17 technical colleges for women in different parts of the country.<sup>25</sup> More than 300 technical and vocational institutes will be built to train young Saudi men and women and provide them with new skills to enter the labor market.

The government has also opened the tourism industry to women's employment, along with training support at institutions abroad. In the city of Al Khobar, more than 30 Saudi women now work in five-star hotels, in areas such as reservations and marketing. In the region of Tabuk, with its growing influx of tourists, a number of Saudi women are working as guides.<sup>26</sup>

In addition to the public sector's efforts—many of which seem to have been directed toward the urban, young, and educated—a number of

committed, idealistic NGOs dedicated to women's welfare have led efforts to create economic opportunity for poor and uneducated women in both urban and rural areas through vocational training and small business loans.

The Al-Nahda Philanthropic Society for Women in Riyadh's Training and Employment Center aims to improve human resources for Saudi females and provides free training programs, along with a website ([www.tawdeef.com](http://www.tawdeef.com)) for women's recruitment and employment.<sup>27</sup> To date, the center has provided job opportunities for 2,015 Saudi women in factories, banks, and social, educational, and health associations and institutes.

Additionally, King Abdul Aziz Women's Charity Association's Al Barakah Loans Center in Buraidah, Al Qassim, finances projects for

low-income divorced and widowed women. More than 800 Saudi women have already benefited from the initiative through projects including the sale of clothing, livestock, and furniture, as well as coffee and keleja or waffle stands.<sup>28</sup>

In 2005, the nonprofit Centennial Fund was established as part of the country's economic initiative to assist small businesses and young entrepreneurs outside the Kingdom's largest cities. In addition to loans, the fund provides mentoring services to entrepreneurs for up to three years. Thus far, 26 percent of the fund's projects have benefited Saudi women's interests in areas such as art and design, administrative services, restaurants and food supply, beauty salons and clothing shops, sporting facilities, and day-care centers.<sup>29</sup>

*“We do not differentiate between men and women when it comes to providing employment.”*

*— Prince Sultan bin Salman bin Abdul Aziz Al Saud,  
Saudi Commission for Tourism and Antiquities\**

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A major initiative arising from the private sector to combat unemployment in the country is the Abdul Latif Jameel (ALJ) Community Services Programs, which since 2003 has created more than 113,855 job opportunities for both men and women. Through its Productive Family Project, ALJ in 2009 found 24,772 jobs for women in different parts of the Kingdom, providing them with small loans and training courses in areas such as cooking, makeup, first aid, and tailoring.<sup>30</sup>

Established in 2005, the Empowering Capabilities, Skills and Aptitude (ECSA) employment agency is the first Saudi recruiting company working to specifically address the needs of Saudi women.<sup>31</sup> The agency, which also organizes orientation and training programs, has already succeeded in placing more than 200 women in

companies such as Sama Airlines, Four Seasons Hotel, the World Trade Center in Riyadh, and the Manhal Center.

Other noteworthy initiatives include the Prince Sultan Fund for Supporting Women's Small Projects in the Eastern Region, which is aimed at supporting women's initiative, entrepreneurship, and creativity, and the Work Plan Project for Women Employment at Home, launched by the League of National Women at the Chamber of Commerce and the City of Riyadh, which supports and organizes work that women can do from home.<sup>32</sup>

From its international legislative commitments to its tiniest NGOs, the Kingdom's policies and programs are signs of development and progress—promising steps on the road to women's full participation in the Saudi labor market.

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### Women and the Private Sector in Malaysia

Malaysia—a Muslim, family-oriented country like Saudi Arabia—has recognized the need to promote women's participation in its labor market and is showing no signs of slowing down in this regard. The private sector is the largest employer of women in the labor force, and the government has taken measures to involve women in business by providing easy access to capital (for instance, via the Women Entrepreneurs Fund). Various special assistance schemes are available to acquire or upgrade technology; relocate businesses; and train in business management, marketing, sales, packaging and labeling, and business networking. Embroidery and handicraft workshops have been established to assist women in setting up small businesses. Women are also employed as doctors, dentists, lawyers, and architects. In terms of occupational structure, Malaysia ranks fifth globally for the percentage of senior positions held by women in medium-sized to large enterprises (MLEs). Indeed, almost 39 percent of MLEs have three or more women holding high-level, decision-making positions. The proportion of women who are senior officials and managers increased from 4.8 percent in 2000 to 5.4 percent in 2005.

*Source: The Edge Financial Daily, May 4, 2009*

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## MAJOR CONSTRAINTS ON SAUDI WOMEN JOINING THE LABOR MARKET

The Saudi government is making major efforts to improve the status of women in terms of employment. However, a number of social, legal, educational, and occupational factors continue to hinder Saudi women's full participation in the labor market, preventing the Kingdom from reaching its full economic potential.

### Social Constraints

Cultural traditions and local customs play a major role in a nation's economic development, creating a unique set of opportunities and challenges that both inform and constrain labor policy.

In Saudi Arabia, there is a growing debate over the role of women in society. As a nation that deeply values family and tradition, the Kingdom has been hesitant to fully embrace any development that appears to threaten the traditional family unit. Because women's role in Saudi society has traditionally been the domestic

one of wife and mother, the move toward greater female participation in the labor force has been met with skepticism, debate, and even hostility.<sup>33</sup> Although many Saudi men welcome the opportunity for women to contribute economically, others fear change. There is a growing awareness that women have an important role to play in the labor market, but pervasive social customs continue to limit the scope and extent of that participation.<sup>34</sup>

In addition to the stigma associated with females working in a mixed-gender environment, Saudi women face a question that occupies women across the globe: "How do I balance work and family?" Achieving a comfortable work-life balance is not determined just at the personal, family, or workplace level; it is also very much a function of having appropriate national policy in place. In Saudi Arabia, as elsewhere, social norms continue to play a role in shaping that policy.

*“The unemployment problem is basically among women ... (and) it is mainly due to social customs.... The Labor Ministry alone will not be able to solve the unemployment problem.... It requires joint efforts of families, schools, individuals and social institutions.”*

— Abdul Wahid Al-Humaid,  
Saudi Deputy Minister for Labor\*

### **Legal Constraints**

Although official Saudi employment laws and regulations do not explicitly discriminate against women, major regulations regarding discrimination against women in the labor market are limited. Of the Saudi labor regulations' 245 articles, only 12 relate to women's concerns such as child care, breastfeeding, and sick leave.

In addition, full implementation lags on existing legislation at both the international and national levels: Rights exist in theory, but they have been largely unenforced. For example, Saudi businesswomen are still widely required to have an authorized male representative to manage their businesses and represent them in government agencies—a practice that has led to many cases of fraud and financial loss. Although both the Council of Ministers and the Ministry of Commerce and Industry have issued laws eliminating the wakil requirement, they have largely been ignored—a state of affairs that under-

mines government authority while constraining the growth and flexibility of the labor market.

Another legal constraint impeding women's ability to contribute to the economy is the fact that women are not permitted to drive. This situation makes it difficult for them to commute to work without a male driver or family member. When half of a country's population cannot freely access the labor market, the economy simply cannot reach its full potential.

### **Educational Constraints**

The lack of high-quality basic education for females lies at the heart of the Saudi labor market segmentation. Girls' public-sector education has not met the demands of the labor market, and there are major gaps between what employers require and what graduates can offer. In addition, there are not enough university seats for women outside education colleges. Indeed, a previous Saudi minister of

education has declared that about 90 percent of the Kingdom's educational output is not linked to the needs of the labor market.<sup>35</sup>

The Saudi educational system simply is not providing girls with the skills and background they need to successfully compete in the labor market. The current educational system relies on rote learning and does not sufficiently promote analysis, skills development, problem solving, communication, and creativity. In addition, there is a shortage of appropriate education in areas vital to the development of the new knowledge-based economy, such as math, science, technology, and computer literacy. As a result, Saudi women are not sufficiently empowered to participate in digital society.

The technical education system has not been revised for more than 20 years. Moreover, there are insufficient training opportunities for

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women in areas such as information technology and management, and existing programs have not been formulated according to the needs of the labor market. The lack of these skills hampers women's ability to obtain competitive employment, interact in business settings, and move up the career ladder. It also represents an enormous obstacle on the road to the Kingdom's full participation in the global economy.

#### **Occupational Constraints**

Occupational segregation is strongly evident in the Saudi labor market, with women largely restricted to traditionally female-oriented fields in the public sector. Men continue to have greater opportunities than women to obtain productive work.

There is a marked lack of opportunities for women in decision-making

and management positions; less than 1 percent of decision-making posts are held by Saudi women.<sup>36</sup> Instead, women are placed in what are considered to be nonstrategic jobs. A number of Saudi women have complained about the difficulties and feelings of failure they experience when working in a patriarchal milieu.<sup>37</sup>

Also problematic is the lack of organized infrastructural support for working women at both government and institutional levels. Family-friendly policies including flexible working hours, parental leave, child-care facilities, and transport are not in place in the workforce.

As trade unions are not permitted in Saudi Arabia, women do not have a mechanism to protect their rights, and their weak organizational and negotiating capacities are a serious impedi-

ment to effective programs that could lead to women's empowerment. The lack of a highly specialized unit at the Ministry of Labor that is responsible for regulating women's work, along with the dearth of women being appointed to positions within the Saudi legal system, only compounds the problem.

In addition, the Saudi labor market lacks up-to-date, gender-specific statistical data on the role of Saudi women in the economy. Statistical techniques, indicators, definitions, methodologies, processes, and concepts in the area of women and work need to be much more developed. The absence of complete and updated sociodemographic and employment data on women hinders socioeconomic planning and future labor market policies.

*“I believe that there should be more opportunities for women to work and raise children, and that special regulations should be implemented for working women in Saudi Arabia. Serious considerations should be given to the fact that women are an active part of society in addition to being mothers and housewives.”* — Female medical doctor in Riyadh\*

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## POLICY RECOMMEN- DATIONS TO ENHANCE WOMEN'S EMPLOYMENT

The Saudi government must use the same energy and skill that it has employed in developing its natural resources to make the most of a resource that may be less tangible, but no less valuable: its human capital. Saudi Arabia's women represent an untapped and important source of power for the economy. Although incorporating women fully into the labor market may not be achieved overnight, it can—and must—be achieved if the Kingdom is to transition to a knowledge-based economy.

Decision makers at every level of government can no longer avoid the implementation of sweeping reforms in education and labor policies to ensure that women have the opportunity and skills to participate—and succeed—in the economy. Women's employment should be a crucial element in a larger macroeconomic policy designed to foster equitable social and economic development.

First and foremost, the Saudi government will have to ratify, implement, and enforce legislation that promotes equal participation in the labor market. The government should implement policies that create employment opportunities for women and create institutional mechanisms that promote women's well-being

and success in the workforce. This could include a quota system for women similar to Saudization, as well as other incentives such as family-friendly workplace practices. These policies must be linked to a clear monitoring strategy that ensures their effectiveness, and a modern system of data collection and statistical analysis must be put in place. Cross-sector partnerships, in addition to cooperative regional initiatives dedicated to creating a female labor network, should be established in order to leverage existing resources.

At all levels, the government should seek to create a supportive cultural environment for women and commit to overcoming the existing customs and social barriers that hamper women's success. In addition, it must revamp both the educational and the vocational training systems to better prepare women for the labor force—emphasizing sciences, mathematics, foreign languages, and information technology—and reduce the influence of harmful gender stereotypes. It should establish a “lifelong learning” system of training and guidance and promote entrepreneurship and self-employment, and Saudi workers must have access to professional development in the areas that will matter most in a knowledge-based economy.

## WHAT SHOULD BE DONE BY THE GOVERNMENT AT THE NATIONAL POLICY LEVEL

Going forward, the Saudi government should develop a national plan of action and policy formulation for working women. Policies need to target women's participation in the labor market, focus on upgrading women's levels of literacy and education, and increase skill building and vocational training. These policies—including recruitment, job assignments, career planning, and wages—should be closely monitored. The Saudi government should form partnerships with civil society, non-governmental organizations (NGOs), and the private sector for implementation and follow-up on the action plan.

In addition, the government should launch a national task force that assesses the needs of women in the labor market. This task force—a broad partnership across sectors, drawing on the experience and resources of the Ministry of Labor, business, and civil society—should be an ambitious brainstorming entity committed to developing a national framework for policy creation and implementation.

The task force would facilitate the exchange of information and raise

awareness about employment issues, ultimately helping to create policy that rigorously ramps up women's participation in the labor market as well as bolstering literacy, educational, and vocational skills. In creating the task force, whose board should consist of equal numbers of men and women, the government should recruit women across a variety of fields including education, business, NGOs, and the public sector. The task force should also reach out to women in both urban and rural areas, exploring their needs through open-ended questionnaires, interviews, and focus groups that probe the realities of the employed, unemployed, and underemployed alike. The task force should take advantage of the resources of local chambers of commerce and NGOs, enabling it to more accurately understand the needs of women both inside and outside the labor market—a key step in diagnosing and treating existing problems and creating a comprehensive framework for action.

Once established, that framework needs to be more than a theoretical model: It should be an evolving, dynamic initiative that is energetically implemented across every sector of Saudi society, at both the macro and micro level. As such, the government should ensure that every aspect of labor policy—from training and recruitment to wages and workplace practices—is strictly evaluated, monitored, and modified based on feedback as well as the evolving needs of the market.

The government should also work to raise awareness about the positive role that women play in the labor market, as well as their rights, opportunities,

and successes. Women should be made aware of their legal rights so that they may properly take advantage of them, and the Saudi public should receive positive messages about the valuable role of women in the labor force.

First and foremost, public awareness campaigns should focus on changing the traditional gender stereotypes that hamper women's ability to properly participate in the economy. Media campaigns, conferences, and public service announcements should all be effectively leveraged to convey a fundamental message: Saudi women can and must play a critical role in the labor market.

Moreover, the government should ensure that working women are represented at top decision-making levels, across every sector and region. Women should be encouraged and prepared to assume highly visible positions, and should be selected to represent the Kingdom at regional and international meetings. In addition to leveraging women's talents for the betterment of the economy, doing so will improve Saudi Arabia's national and international standing—a win-win situation.

In addition, the government should look for ways to facilitate the development of a system of transportation services for women that enables them to commute to work without the help of a male driver or family member. An employer-provided system is also necessary to shuttle female employees between their homes and places of work. The current system impedes women's ability to participate in the labor force and therefore deprives Saudi Arabia of realizing its economy's—and its people's—full potential.



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## WHAT SHOULD BE DONE BY THE MINISTRY OF LABOR

As the entity that is most directly responsible for setting employment policy, the Ministry of Labor has the opportunity to assume a vital role in improving the position of women in the Saudi labor market.

A critical first step in achieving this goal is the establishment of a special bureau for women's affairs within the ministry. This bureau would stand at the helm of the Kingdom's efforts to incorporate women into the labor market, creating a framework for policy and establishing the direction of future research on the needs and status of working women. As a permanent entity within the ministry,

the bureau could concentrate and strategically leverage expertise and resources from every available field, from academia to transportation. In doing so, it would act as the engine of progress for women in the labor market, helping to bring the Kingdom to a more dynamic place within the global economy. The bureau would be a natural catalyst for the national task force discussed above.

Fundamentally, the Ministry of Labor will have to focus on legislation. Without a strong legal foundation, policies crumble. Going forward, the ministry should vigorously ensure that both national and international labor laws are implemented and enforced—including United Nations conventions on gender equality in the workplace.

Specifically, the ministry should lead efforts to ratify and enforce Saudi legislation and conventions that ensure gender equity in recruitment, employment, and compensation, as well as social security coverage and family-friendly policies. It should establish

a follow-up mechanism to monitor implementation by the government and the private sector and to evaluate its impact.

At the policy level, the ministry should create, promote, and implement a system of infrastructural support for working women. Family-friendly policies—including flexible hours, parental leave, and child-care facilities—are essential to ensuring that women do not avoid the labor market out of concern for their children's well-being, as well as making certain that they flourish once they are there. The ministry should also promote the establishment of nurseries in workplaces, collaborating with local communities to match child-care providers with workplaces in need of their services.

As a family-oriented society, Saudi Arabia has a strong incentive to implement these policies, which help children as well as their working mothers, all while laying the foundation for a new generation of Saudi citizens who have the skills

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and opportunity to contribute to a dynamic, knowledge-based economy.

In close cooperation with the Ministry of Education, the Ministry of Labor should also enable the creation of a network of centers that offer career guidance and development services at both the national and regional levels for women joining the labor market. By helping girls and women understand what motivates them and clarifying their goals, aspirations, and opportunities, these centers can help smooth their career paths.

Programs will have to be designed with a timetable for implementation, along with a supervisory framework for monitoring progress and modifying programs based on evaluation and feedback. In order to accomplish this, the ministry should conduct timely research, employ up-to-date statistical techniques, and ramp up data collection, creating an accurate and current snapshot of the Saudi labor market as well as women's place in it. Data collection should include household surveys in urban and rural areas, identifying the needs of all citizens. In addition, institutions across all sectors of the labor market should be analyzed in regard to the skills currently in demand. Statistical data should be updated, aggregated, and analyzed.

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### Lessons from Malaysia

The Malaysian government is now taking definitive steps to encourage women to join the workforce. It is reviewing laws and regulations with an eye toward promoting the status of women and implementing court decisions, including those under Shari'a law. The private sector is also being encouraged to review its collective agreements to ensure that there is no gender discrimination. In addition, the government is working to ensure the provision of family-friendly workplace practices, training programs, community child care, and nursery centers. These measures lead to improved productivity, greater job satisfaction, and better retention rates.

*Source: Ninth Malaysia Plan (2006–2010)*

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## WHAT SHOULD BE DONE BY THE MINISTRY OF EDUCATION

Multiple studies have shown that the first few years of life lay the foundation for one's cognitive, social, and emotional growth. In looking to improve women's role in the Saudi labor market—and improve the market itself as a result—decision makers must recognize the necessity of a solid, comprehensive, and flexible educational system that prepares girls to compete in the global marketplace. The Ministry of Education has a valuable opportunity to assume a leadership role in reforming and improving the Saudi public educational system so that it produces a robust, capable female labor force.

In order to accomplish this, the public education system—particularly at the primary and secondary levels—should be revamped so that it is more flexible and responsive to the needs of the labor market. Basic education should promote social skills and an understanding of the culture and importance of work. Learning materials should emphasize the ability to identify, analyze, and solve problems and to adapt to new tasks. What's more, the curriculum should be reformed with an eye toward gender-sensitivity, so that children are conscious from an early age of women's equal abilities and rights. Textbooks and other learning materials should highlight women succeeding in a variety of professions, including those traditionally associated with men.

It is important that schools become incubators of science and technology, preparing students to work in fields such as information technology and engineering. Allying the higher education system more closely to the needs

of employers is crucial in a country where a traditional focus on religious and cultural studies is leaving gaps between nationals' skills and companies' needs. Universities for women in major cities and provinces should offer open-entry/open-exit courses and distance-learning opportunities, and their curricula should be revised to portray women as a vital part of the country's economic development.

Moreover, the Ministry of Education should encourage the creation of a culture of continuous education and training. Women should be encouraged to polish their skills and learn new ones to keep up with the market's changing needs. The ministry should invigorate the technical education system with new strategies and training programs to keep up with the needs of the labor market, enriching workers with versatile, adaptable skills in areas such as science and technology and developing their technical and professional competencies.

*“I believe that every woman should be working and earning money. She should be financially independent because it is one of her rights to also be the provider for the family. Work will give every woman strength, independence, and self-respect.”*

— Head of a women's welfare association in Al Qassim\*

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## WHAT SHOULD BE DONE BY THE MINISTRY OF COMMERCE AND INDUSTRY

The Ministry of Commerce and Industry can play a critical, historic role in Saudi Arabia's economic progress by leading efforts to incorporate women into the labor market. By orienting and encouraging the private sector to support women's integration into the economy, the ministry can effect real change, helping the Kingdom take its rightful place in the global marketplace.

Going forward, the ministry should energetically enforce and implement the Council of Ministers' groundbreaking 2004 decision to eliminate the wakil requirement. Although the ministry took bold steps by doing so, real progress will depend on the policy's full implementation. Effective business management is a key component of a competitive economy; restrictions on autonomous decision making within the labor market impede Saudi Arabia's ability to realize its full economic potential. Women's capacity to make independent business decisions will contribute directly to the Kingdom's economic growth.

The Ministry of Commerce and Industry should capitalize on its position as a bridge to the private sector and bolster support for women's business initiatives and self-employment. By encouraging private institutions and funds to support women's economic growth through loans and grants, the ministry can tap into a powerful and renewable source of financial energy—one that will propel the economy forward far into the future.

In addition, the ministry should promote cross-sector partnerships as a key strategy in the promotion of women's role in the Saudi workforce. Women's contributions to the labor market should be encouraged through programs promoting entrepreneurship, professional advancement, and relevant skills.

Entrepreneurship can be stimulated by the development of robust microfinance programs. These programs help low-income women grow their own businesses by providing them with access to financial services including loans, insurance, and money transfers.

In addition, the ministry should facilitate channels for funding, in order to provide women at all stages of business development with the capital necessary to increase the efficiency of their economic activities. In coordination with the Ministry of Social Affairs, the Ministry of Commerce and Industry should also support women's traditional income-generating activities such as food processing and marketing and the production of handicrafts. This can be accomplished through the establishment of cooperatives as well as by facilitating the distribution of goods.

Indeed, the ministry—working in coordination with the Ministry of Education, the private sector, and NGOs—should focus on developing women's ability to enter and advance through the ranks of the market, in addition to their capacity for self-employment. Training programs aimed at empowering women with confidence, skills, expertise, and technical know-how will allow them to advance to managerial, decision-making positions in a variety of sectors—helping to further the country's Saudization policy.

### How Some Arab Countries Promote Women's Economic Integration

**Algeria and Oman:** Gender discrimination is formally prohibited in the workplace, and laws in these two countries provide for equal pay for equal work.

**Bahrain:** In March 2005, the Supreme Council for Women announced a "national strategy for empowerment of Bahraini women," which aims to achieve full participation of women in the workforce and enable their access to leadership positions in both the public and private sectors.

**Morocco:** In 2006, Morocco adopted a national strategy on gender equality with a new labor code that strongly endorses the principles of equality and nondiscrimination in the workplace. As a result, women's access to public-sector jobs significantly improved.

**Tunisia:** Tunisia passed a law in 2008 allowing women to balance family and professional life, and allowing some female employees in the public sector to work part time while still receiving two-thirds of their salary.

**United Arab Emirates:** The UAE has actively promoted the presence of women in the workplace. As a result, 41 percent of public-sector workers are women.

**Yemen:** In 2003, the government adopted a national strategy for gender equality; the Ministry of Labor developed a women's employment strategy and the Finance Ministry created channels for gender-responsive budgeting.

*Source: International Labour Office, "Institutions and Policies for Equitable and Efficient Labor Market Governance in the Arab Region," 2008, p. 8*

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## CONCLUSION

As Saudi Arabia looks to develop a knowledge-based economy, it needs to invest in the education and training of all its citizens. Women, who currently make up only 14.4 percent of the national workforce, represent a valuable yet untapped source of energy for the new economy. Investing in women's education, training, and professional assimilation will yield enormous rewards, both today and far into the future.

Working together, the Saudi government, the private sector, and NGOs should ensure that legislation promotes women's equal participation in the labor market. Existing legislation must be rigorously implemented, with

an eye toward ensuring that women can work autonomously, with appropriate training and fair workplace practices in place. The Saudi public education system must be revamped to prepare women for the digital marketplace, and strong support systems for women must be established. Going forward, a special unit should be established to handle female labor issues at the Ministry of Labor, and women should be prepared for positions at the highest levels of decision making and responsibility. These measures will ensure that the Saudi labor force is robust, capable, and equipped to deal with tomorrow's challenges—and reap its opportunities.

## Endnotes

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- \* Quote on page 8 is from *Arab News*, November 12, 2008; quote on page 10 is from *Arab News*, March 30, 2009; all other quotes are from personal interviews with the author.

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