



# **A gender and Informal Employment perspective on IMF policies in the Arab Countries**

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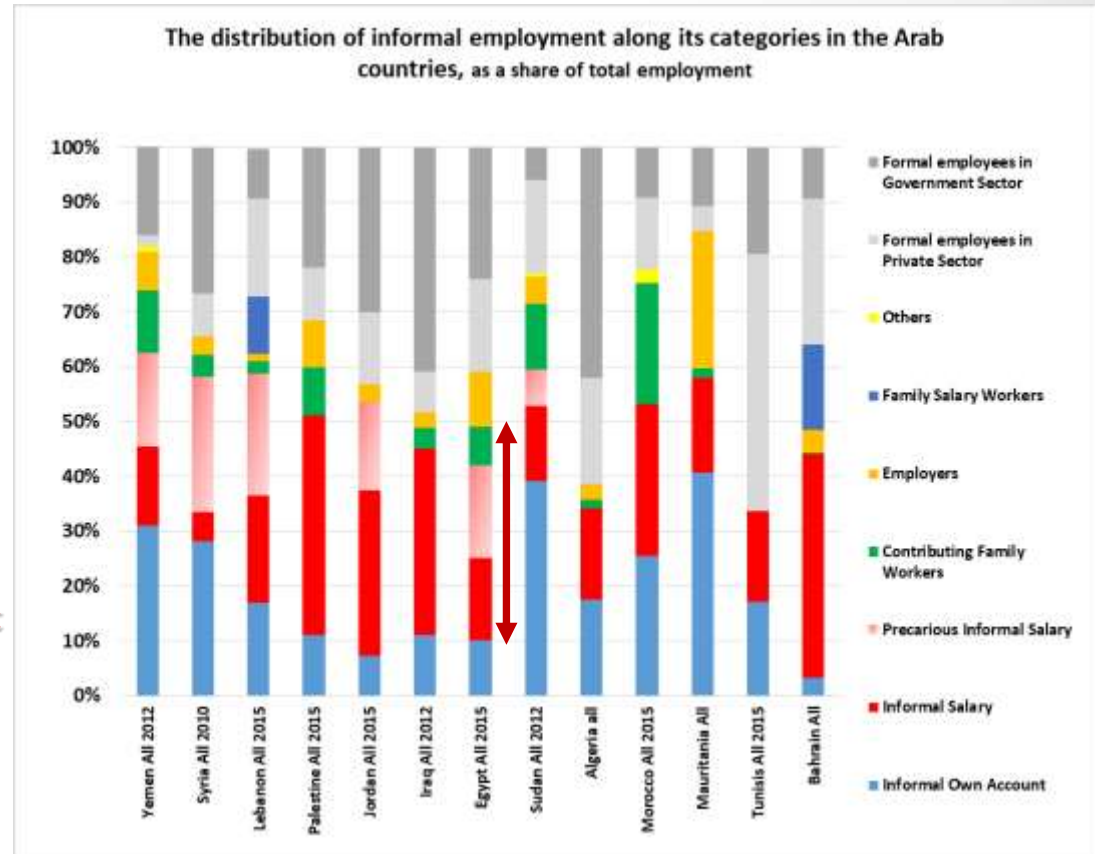
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# Macroeconomic & financial policies and gender equality

- Macroeconomic & financial policies
  - have **strong impact** on social transformations → “the Arab spring”
  - Should adapt to country **social specifics** : “youth bulge”, “rural–urban migration”, massive migrations
  - **Women situation and gender equality strongly depend on social transformations**
- Social issues (SGD’s)
  - Poverty
  - Equality
  - Employment/unemployment
  - Informal employment
  - **Gender and youth**
- Macroeconomic concepts/tools
  - **Social protection**
  - **Social security**
  - **Social safety nets**
  - **Social spending/expenditure**
  - **Social safeguards**
  - **Affirmative actions?**
- IMF policies and the role of the States
  - Is there a necessity for a **strategic framework for social protection, with focus on women?**
  - Is there a **macro–critical strategic priority in the Arab countries?**
  - How to perform the **analysis?**

# The general picture of informal employment in the Arab countries

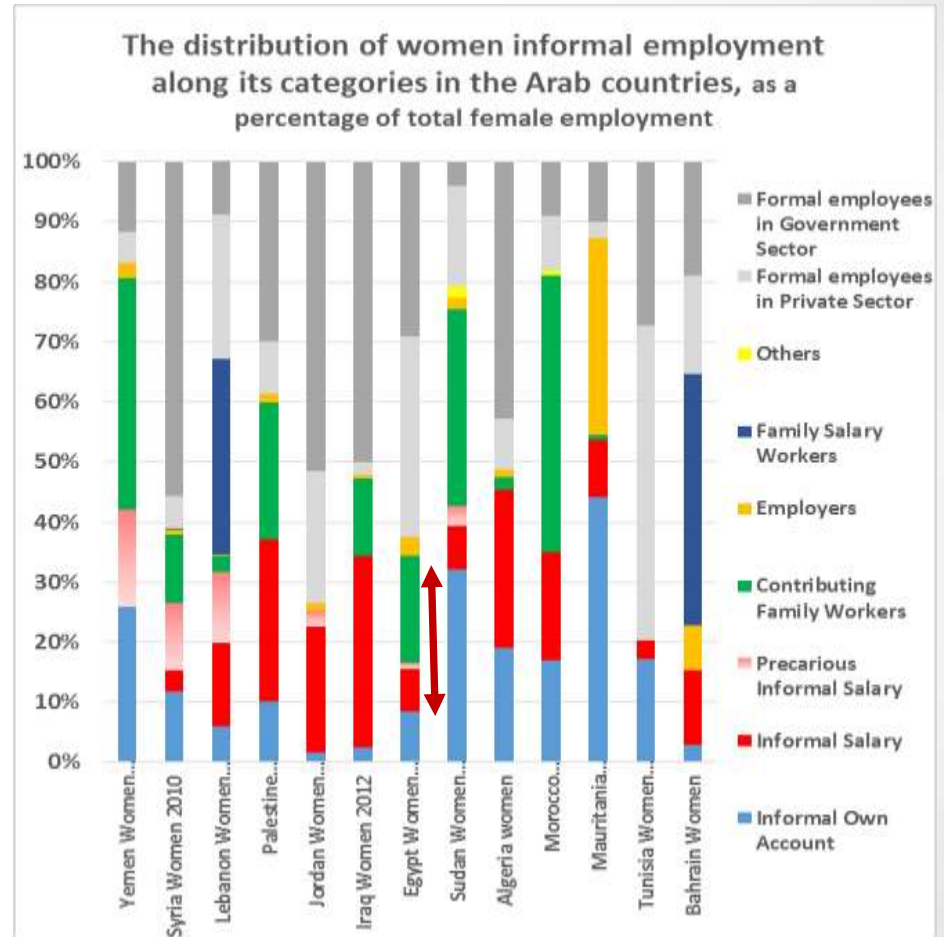
- Most of employment is informal (except Tunisia)
- Most of informal employment is other-account (with or without salary), and not own-account (entrepreneurship)
- Strong influence of:
  - Internal and external Migrations
  - Size of Agriculture vs urbanity
  - Public sector employment
- Outside agriculture and public sector/gvt, informal employment 60–95% of total urban employment !!!! (except Tunisia)
- Unsufficient job creation following “Arab spring” → most new youth jobs are informal
- Tunisia best case is fragilized following “Arab spring”



Base criteria is social protection/security

# Women in informal employment in the Arab countries

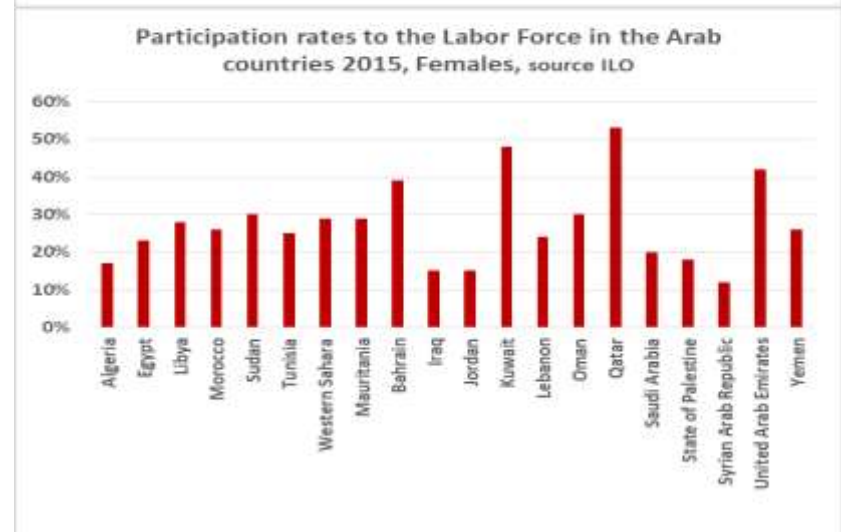
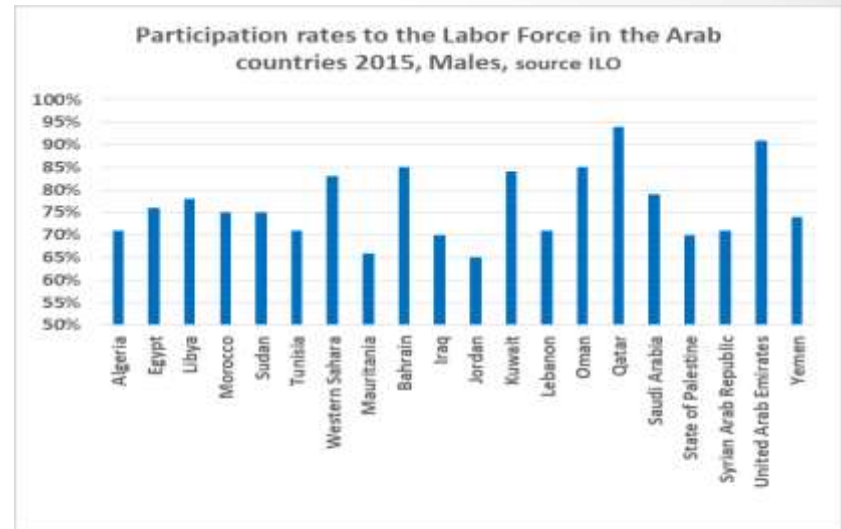
- **Women are less involved than men in informal employment** (except agriculture and household workers).
  - **Informality amongst (non-paid) contributing family workers is dominant in Yemen, Palestine, Sudan and Mauritania.**
  - **Informality amongst household salary women workers is dominant in Lebanon and Gulf countries (migrants)**
- **Most of informal employment is other-account (with or without salary), and not own-account (entrepreneurship)**
- **Women rely mostly on socially protected jobs in urban areas**
- **Unsufficient job creation following “Arab spring” → most new youth jobs are informal**
- **SOCIAL PROTECTION IS THE MAJOR ISSUE FOR WOMEN EMPLOYMENT**



Base criteria is social protection/security

# The issue of Women participation to the labor force in the Arab countries

- Women participation in the Arab countries is the **World lowest ... lower than in 1970s... decreasing**
- Except **Gulf countries** (most of foreign workers work) + imbalance male/female... work force adapt to labor market and not the contrary
- Massive waves of refugees and policies towards refugee work reduce apparent women participation
- Rural-urban migration reduces women participation





# Women in informal employment in Egypt and Jordan

- **Egypt:**

- 2.2% population growth
- Labor force : 30 M, +2.1–2.5% yearly
- Employed 26 M; +1.1% yearly
- 70% informal employment outside Gvt and agriculture

- **Egypt women**

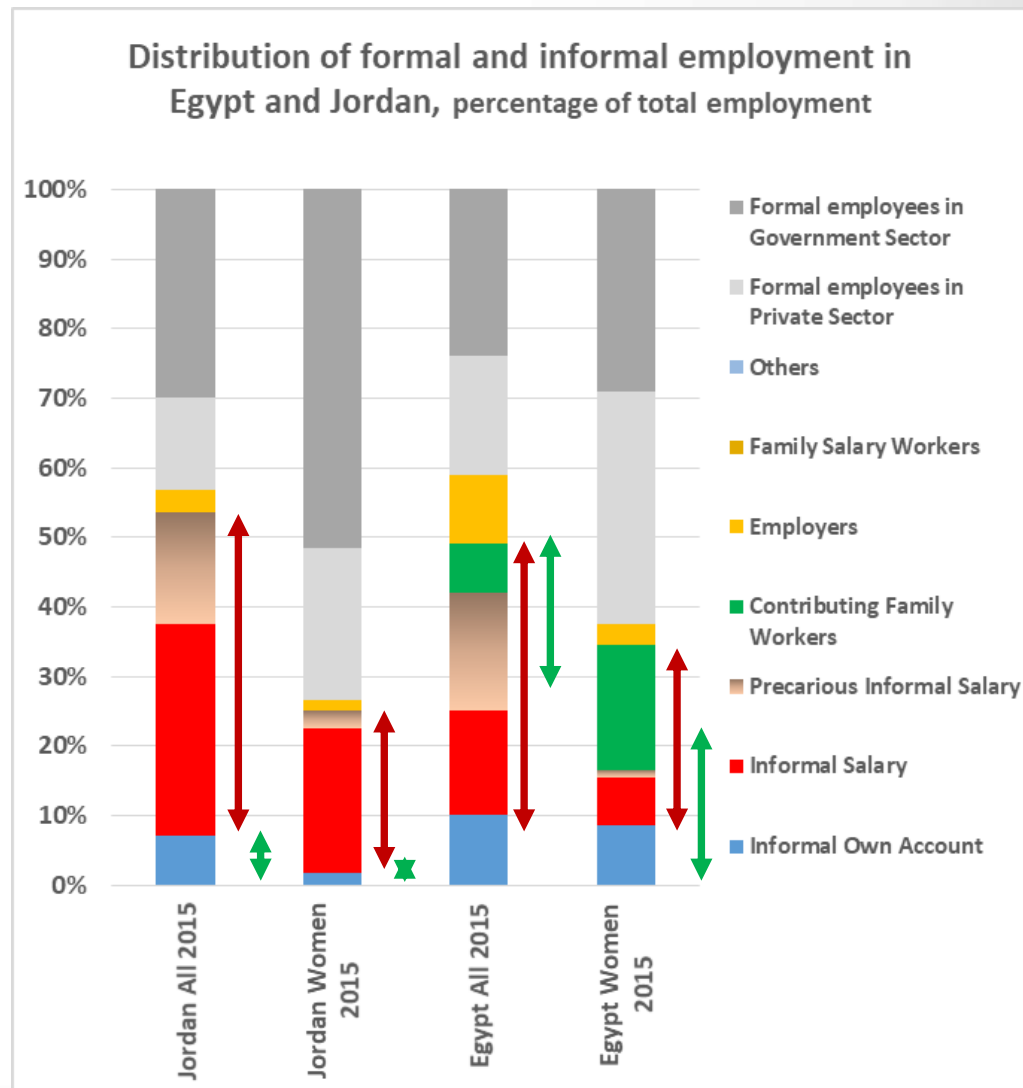
- Women participation 25%
- Labor force: 7M, +1.9–3.7% yearly
- Employed: 5.2 M; +1.4% yearly
- 34% informal employment outside Gvt and agriculture ← very low participation

- **Jordan**

- 3.1% population growth
- Labor Force: 2 M, +2.4–4.4% yearly
- Employed: 1.7 M; +2.2% yearly
- 80% informal employment outside Gvt and agriculture

- **Jordan Women**

- Women participation 12–14%
- Labor force: 0.34 M; 1.9–7.3% yearly
- Employed: +1.7% yearly
- 53% informal employment outside gvt and agriculture



# Informal employment in Egypt (general picture)

- **Does publicly subsidized nurseries increase women participation? And create decent female employment?**

*% of total employment*

[illegible][illegible]

# Informal employment in Jordan

- Strong influence of **migrant workers**: Egyptians (57%), Asians, Syrians (9%)
- Strong **division of labor between nationals and migrants**
- 2011–2015 : jobs created <82% of newcomers, while labor force grow at 2,4% yearly 2011–2015, 4,4% in 2000–2010.
- For women: jobs created only 71% of female newcomers, while female labor force increase only 1.9%
- Will publicly subsidized nurseries (for SMEs workers) and lowering payroll taxes increase women participation? And create decent female employment? ... What analysis sustain that?

Table 3.16 Distribution of Employed Jordanians according to Labor Relations (percentage of all Jordanians employed)

	Male	Female	Total
Wage Workers	85,6%	96,8%	87,4%
whose in public sector	37,3%	51,5%	39,6%
whose in formal private sector	42,4%	42,6%	42,5%
whose in informal private sector	5,2%	0,0%	4,5%
whose in other sectors	0,6%	2,0%	0,9%
Employers	4,9%	1,3%	4,4%
Own-account workers	9,2%	1,7%	8,0%
Contributing Family Workers	0,1%	0,0%	0,1%
Non-waged workers	0,2%	0,2%	0,2%

% of total employment

Table 3.17 The shares of informal employment categories in Jordan (% of total employment)

Type of production unit	Jobs by Status in Employment													
	Own-account workers			Employers			Contributing		Wage workers			Members of cooperatives		
	Informal		Formal	Informal		Formal	Informal		Informal		Formal	Informal		Formal
	Jordanians	Migrants		Jordanians	Migrants		Jordanians	Migrants	Jordanians	Migrants		Jordanians	Migrants	
Formal sector enterprises								25,3%	5.0%					
Informal sector enterprises	6,0%	1,2%		3,2%	0,0%		0,1%	0,0%	3,4%	12,5%		?	?	
Households										?				

No proper data on women informality, including domestic workers



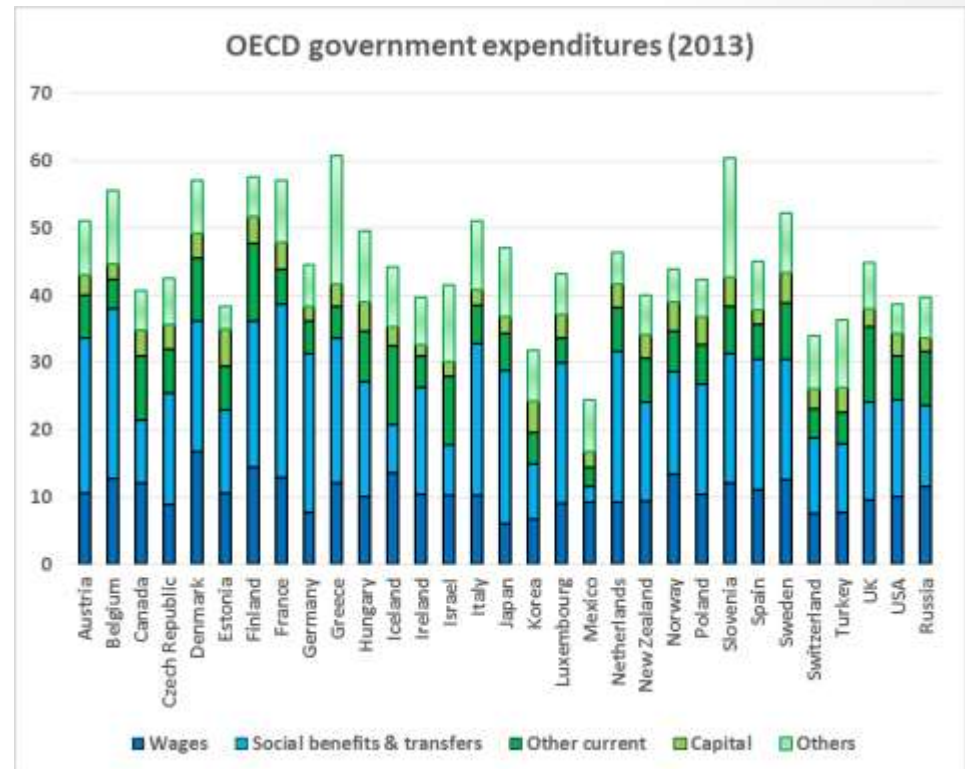
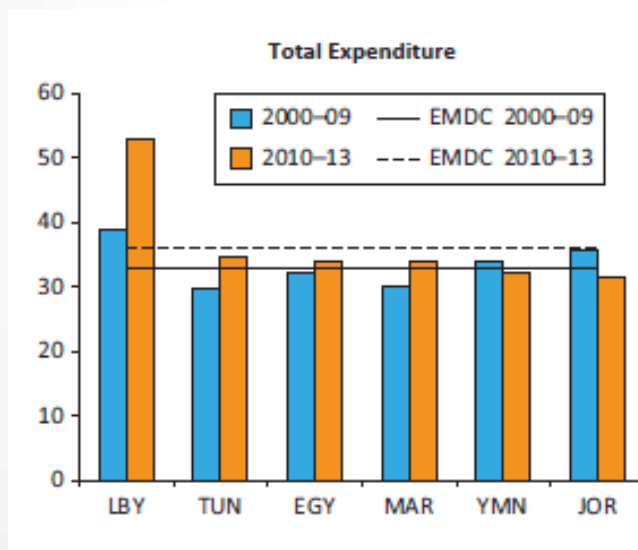
# Informal employment in Jordan

- *It will be critical that plans to enhance the labor market lead to concrete measures to boost youth and female employment and lessen informality. The plans to revamp the part-time employment framework and to better regulate home-based employment activities, should be complemented by allowing large corporations to subsidize employees for child care costs. It would be important to prepare reforms to promote publicly-subsidized nurseries for low-income employees working in SMEs and consider whether lowering payroll taxes could enhance employment opportunities in the formal economy.*

# The other side of the coin

## the role of the State: taxation, total social contributions and Gvt expenditures

- Total gvt expenditures in Arab countries are around 30 % of GDP, as in emerging markets and developing countries
- Total expenditures in OECD countries ranges over 40%
- Social benefits, social security, subsidies and transfers considered same category
- There is an issue on « fiscal space » in the Arab countries
- What budgetary allocation targeting women equality and employment?



# Social security contributions are essential element of total social contributions

- **Total Gvt revenues from taxation in Arab countries between 5 and 20% of GDP → fragile countries**
- **Total Gvt revenues from taxation in OECD countries between 20 and 50% of GDP**
- **Strong gap between spending and revenues**
  - → Rent seeking resources
  - → Debt
- **Share of social security in Arab countries unclear**
- **Share of social security in OECD countries 20 to 40% of GDP**
- **IMF article IV don't fully assess social security contributions as part of Total Social Contributions**
- **Taxes on property and wealth are significant in OECD, and very weak in Arab countries**

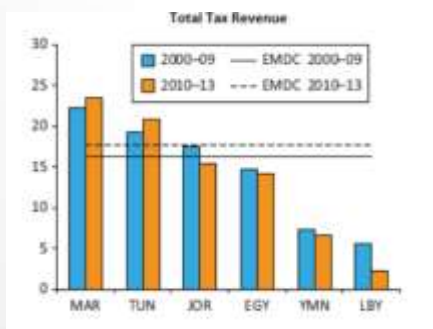
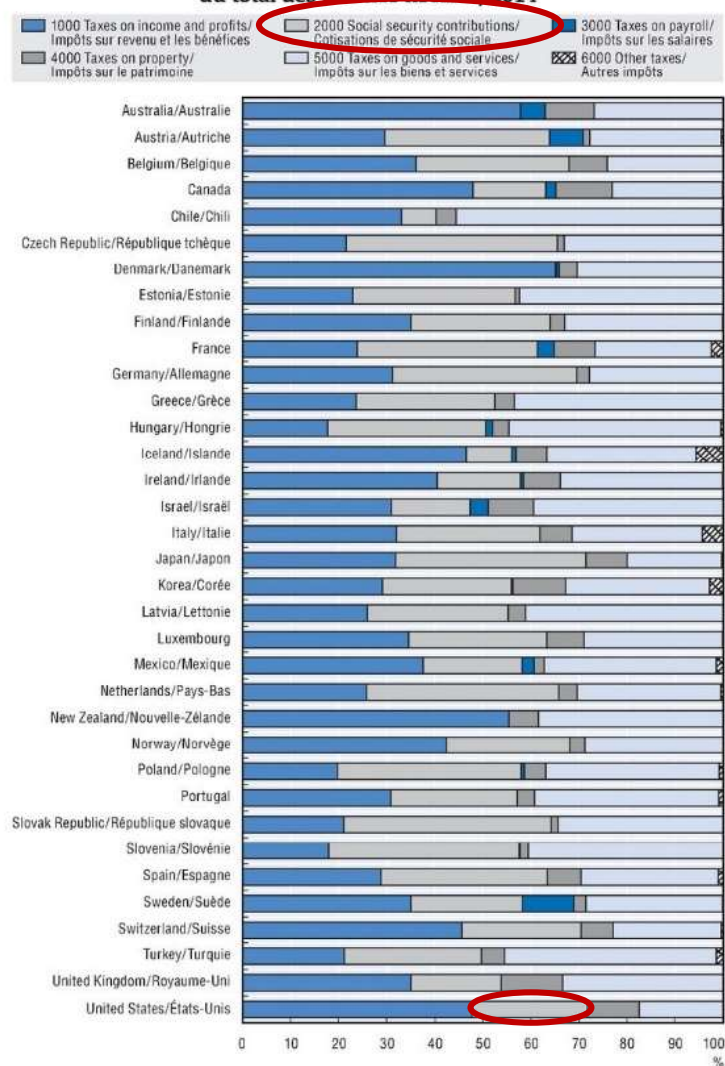


Figure 3.2. Tax revenue of main headings as % of total revenue, 2014  
Graphique 3.2. Recettes fiscales sous les principales rubriques en % du total des recettes fiscales, 2014



# Total social contributions and spending Egypt

- Analysis of revenues is made only in terms of taxation... and not for total social contributions
- Analysis of expenditures takes only transfers to social security funds...
- Social security fund revenues and expenditures around 2% of GDP? Order of food subsidies
- Energy subsidies down from 6 to >3%... to do what? The deficit is 10% of GDP

Billion E£

2011/12

Expenditure	471.0
Wages and other remunerations	122.8
Purchases of goods and services	26.8
Interest	104.4
Domestic	101.0
External	3.4
Subsidies, grants, and social benefits	150.2
Energy subsidies	95.5
Of which: fuel subsidy	95.5
Food subsidies 2/	30.3
Transfer to SIF	6.2
Other	-77.4
Other current	30.8
Investment	35.9

Revenue and grants	303.6
Tax revenue	207.4
Income and property	104.3
Personal income tax	21.7
Corporate income tax	69.5
EGPC	34.1
Other	35.5
Property	13.1
Goods and services	84.6
Oil excises	10.6
GST and nonoil excises	74.0
International trade	14.8
Other taxes	3.7
Nontax revenue	86.1
Oil-related nontax revenue	17.8
Other nontax revenues	68.3
Of which: interest income	1.1
Grants	10.1

To be compared with 32 billion E£ contributions and spending

# Total social contributions and spending Jordan

- Analysis of revenues is made only in terms of taxation... and not for total social contributions
- Analysis of expenditures takes only transfers to social security funds...
- Social security funds status ... unclear

Total expenditures, net lending, other use of cash

Current expenditure	26.4
Wages and salaries	5.2
Interest payments	3.6
Domestic	2.9
External	0.7
Military expenditure	7.5
Fuel subsidies	0.0
Food subsidy	0.9
Transfers, of which :	7.5
Pensions	4.4
Targeted payments for energy	0.7
Transfer to health fund	0.8
Energy arrears clearance	0.0
Other transfers	1.6
Purchases of goods & services	1.7

38.0

%GDP

	Act. 2014
Total revenue and grants	27.9
Domestic revenue	23.0
Tax revenue, of which :	16.5
Taxes on income and profits	3.0
General sales tax	11.1
Taxes on foreign trade	1.3
Other taxes	1.1
Nontax revenue	6.5
Grants	4.9



# Conclusion

- Many Arab countries are in macro-critical strategic priority
- And some are in fragile countries situation → what instruments?
- Women participation is world lowest... decreasing → priority issue
- There is a need that IMF:
  - Clarifies concepts/ macroeconomic tools on women affirmative actions and social protection
  - Work on a strategic framework for social protection, with focus on women
  - This framework should consider Total Social Contributions and Total State social spending
  - The strategic framework should prioritize participation, employment and informality in employment and equity in employment (decent) as entry concepts (more than poverty..)
  - Women employment/participation directly correlated to social protection/security
  - Women employment/participation directly correlated with internal and external migrations