

**Women at work: Job opportunities in the Middle East set to double with the Fourth Industrial Revolution**  
by McKinsey

**Authors:**

Rima Assi

rima\_assi@mckinsey.com

Chiara Marcati

chiara\_marcati@mckinsey.com

2020

Copyright © McKinsey & Company

Designed by Visual Media MEO

www.mckinsey.com

 @McKinsey

 @McKinsey

**McKinsey  
& Company**

# Women at work

Job opportunities in the Middle East set to double  
with the Fourth Industrial Revolution

Women at work: Job opportunities in the Middle East set to double with the Fourth Industrial Revolution



# Preface

The notion that providing equal access to education, work, financing, and legal protection have positive economic and social implications is not a new one. The stakes, however, are growing.

*'Women at work: Job opportunities in the Middle East set to double with the Fourth Industrial Revolution'* is the result of a year-long research initiative that reveals insights on the biggest barriers and unlocks to female participation in professional and technical jobs in the Middle East. The research covers selected countries from the GCC and the Levant, home to around 78 million women, and shows a complex picture with striking regional variations.<sup>1,2</sup>

Our report builds on McKinsey's global 'future of work' research to understand how women are likely to be affected by the Fourth Industrial Revolution the Middle East. The data shows that jobs are likely to more than double by 2030. The data also shows that women are not yet sufficiently integrated into high-productivity sectors in the Middle East, nor are they adequately equipped with the advanced technological skills required to take advantage of these opportunities. The situation however, is evolving in some of the countries studied.

The purpose of this report is to take a deeper look into the specific elements that contribute to lack of access to professional and technical jobs, and double down on the actions that will enable this paradigm shift.

We find that women's labor force participation rates (LFPR) in the Middle East are the lowest in the world at 24.6%—at half of the global average, despite high rates of enrollment and education literacy levels. More interestingly, over the last decade, countries with high levels of inequality in professional and technical jobs—have experienced reverse gender gaps in education: female university graduates now outnumber men in some countries.

Goal five of the United Nations Sustainable Development Goals (SDGs) focuses on advancing gender equality and many countries and organizations have made significant progress by implementing policies and creating environments that lead to greater parity. There is real momentum, yet challenges remain.

There are indeed deeply rooted societal and mindset shifts required to unlock the opportunity of gender parity. This unlock is a critical one—and does have significant second and third order effects for the stability not only of the region, but of the global economy.

**Rima Assi**  
Senior Partner

---

<sup>1</sup> World development indicators, World Bank, 2018 figures, [databank.worldbank.org](http://databank.worldbank.org)

<sup>2</sup> We have taken the definition of the Levant to include Egypt; accordingly, we explored the situation in Egypt, Jordan, and Lebanon. Among the Gulf Cooperation Council (GCC) countries, we centered on Kuwait, Oman, Saudi Arabia, and the UAE

## In brief

Advancing the role of women in society and the economy is a key driver for change in the Middle East. Increased female participation in professional and technical jobs can turbo-charge economic growth in a region that will be significantly impacted by the Fourth Industrial Revolution—making their participation all the more critical.

The share of women in professional and technical jobs is set to more than double by 2030 through digitization, online platforms, and entrepreneurship. Capturing this opportunity would put women in the Middle East at parity with global peers. Women in the Middle East can go further and aim to achieve parity with the region's men in professional and technical jobs.

We identified four indicators that have relatively higher correlation with women's participation in professional and technical jobs: (1) education; (2) financial inclusion; (3) digital inclusion; and (4) legal protection. This report looks at how these indicators affect women and their ability to actively participate in the labor force. Some interesting facts emerged from our research:

- Levels of literacy and enrollment of women in primary and tertiary education is on par with men and female tend to outperform boys in school. However, women prefer tertiary fields of study such as arts and education and are not sufficiently integrated in STEM-related fields.
- Digital inclusion is a critical catalyst for boosting female participation in professional and technical jobs within the region as technology begins to reshape the workplace, offering more job opportunities and greater flexibility for women who work. Increased digital inclusion would further support women's active participation in the jobs of the future.
- High inequalities persist, most notably in legal protection and financial inclusion with a significant number of women remaining unbanked. Introducing new legal frameworks is one important enabler for ending the gender-based inequalities prevalent in the Middle East region.

Beyond these dimensions, we found that the key to empowering women in the Middle East is not only to equip them with access to jobs but also to ensure they have the right support, experience, and opportunities once they are working. Personal grit and a supportive environment play a critical role.

We conducted a survey across the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA), and Egypt, to understand women's journeys in the workplace.

We found that: (1) women face the highest level of challenges—having few interactions with seniors, sub-par support from colleagues, and limited experiences with committed role models; (2) as women grow in tenure, they report higher levels of satisfaction than men; and (3) select policy changes could have significant positive implications on women's overall experience in the workplace.

Three types of interventions are necessary to bridge the gender gap. Stakeholders, including policy-makers and business leaders, have a responsibility to drive female participation in professional and technical jobs through: (1) tailored education and training to upskill and retrain women; (2) an enabling structural foundation with a support system, enhanced regulatory, and policy framework; and (3) creating an environment conducive to women's growth. In addition to these interventions, the importance of self-empowerment and grit cannot be ignored and will need to be driven by women.

# 01 Creating opportunities for women in the future



# Creating opportunities for women in the future

## The share of women in highly productive jobs could more than double by 2030 to achieve parity as technology shapes the future of work

The nature of work is changing, affecting more than 1.2 billion full-time equivalents globally.<sup>3</sup> As technology advances, it transforms careers: how we work, where we work, and the sectors we work in. All economies, both emerging and mature, stand to gain from the hefty productivity boosts that robotics and artificial intelligence will bring. The pace and extent of

adoption will vary from country to country, depending on factors including economic growth and wage levels. But no geography or sector will remain untouched. In this report we zoomed in on seven countries in the Middle East region—Egypt, Jordan, Kuwait, Lebanon, Oman, KSA, and the UAE—home to 78 million women and a total GDP of \$1.6 trillion.<sup>4,5</sup> These countries

<sup>3</sup> Technology, jobs and the future of work, McKinsey & Company, May 2017, mckinsey.com

<sup>4</sup> World development indicators, World Bank, 2018 real GDP figures, databank.worldbank.org

<sup>5</sup> We have taken the definition of the Levant to include Egypt; accordingly, we explored the situation in Egypt, Jordan, and Lebanon. Among the Gulf Cooperation Council (GCC) countries, we centered on Kuwait, Oman, Saudi Arabia, and the UAE

have a wide range of demographic profiles and the progress toward gender parity is not uniform across the board. They are in different stages of economic development – some will take longer to capture the opportunities of automation, AI, and other trends related to the Fourth Industrial Revolution. But they will be impacted, hopefully for the better if we can equip women to participate and take advantage of this opportunity.

Our research has identified four ‘future of work’ trends in the region: continuous and fast-paced digitization, the proliferation of digital platforms, a growing impetus towards entrepreneurship and increased automation (Exhibit 15).

## Digitization: New opportunities and need for upskilling

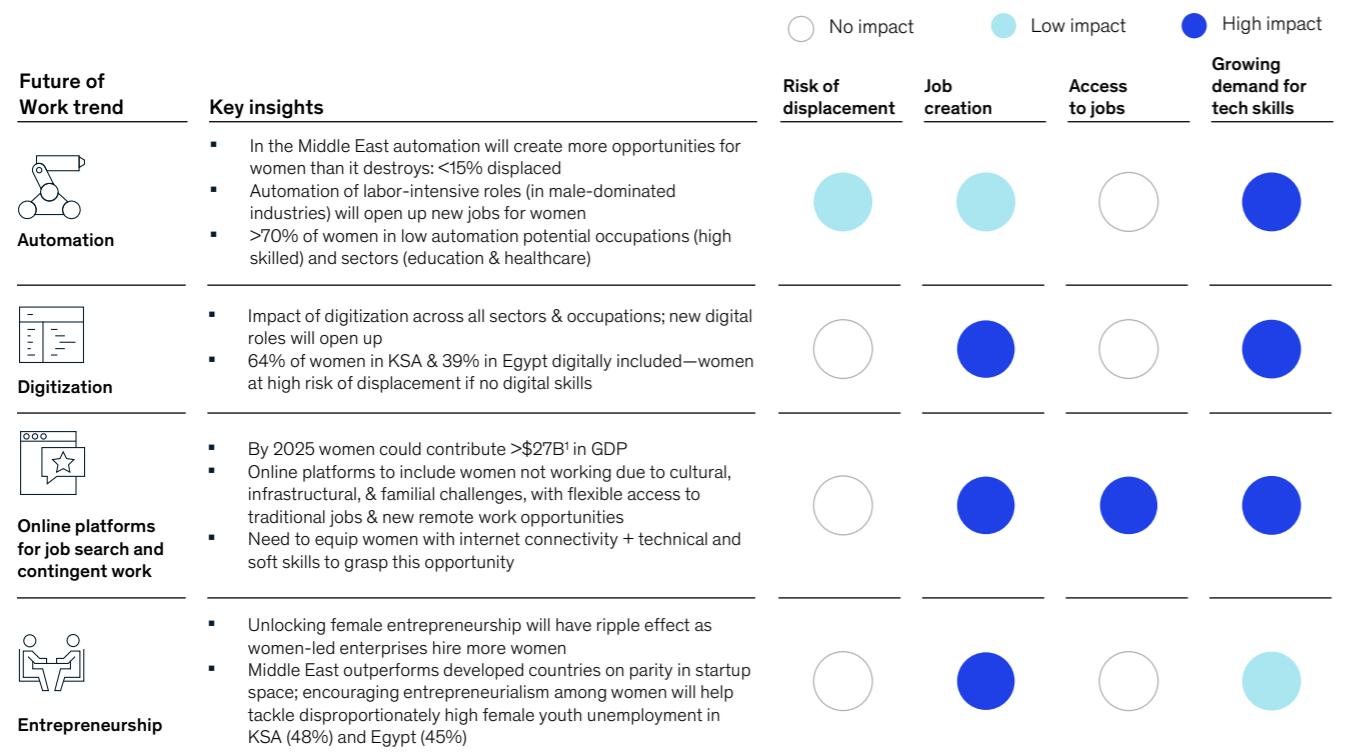
Digitization, the use of data to make better and faster decisions,<sup>6</sup> is a key future-of-work trend across the Middle East. This trend is expected to impact all sectors and will create new job opportunities, but requires women to acquire new skills in technology and digital.

Digitization will likely have a high impact across all sectors and occupations, driving exponential growth in the demand for tech skills up to 2030 and creating new job opportunities for tech-educated women (Exhibit 2).<sup>7</sup>

Women in the workforce will need to acquire digital skills to compete for these jobs, while all high- and medium-skilled employees (98 percent of working women)<sup>8</sup> will increasingly need to adapt to digital tools and advanced analytics in their current jobs (Exhibit 3).

Exhibit 1

### The number of women in productive jobs is set more than double by 2030



<sup>1</sup> For KSA and Egypt only

Note: Impact based on qualitative assessment and expert input.

Source: McKinsey analysis

<sup>6</sup> What ‘digital’ really means, McKinsey & Company, July 2015, mckinsey.com

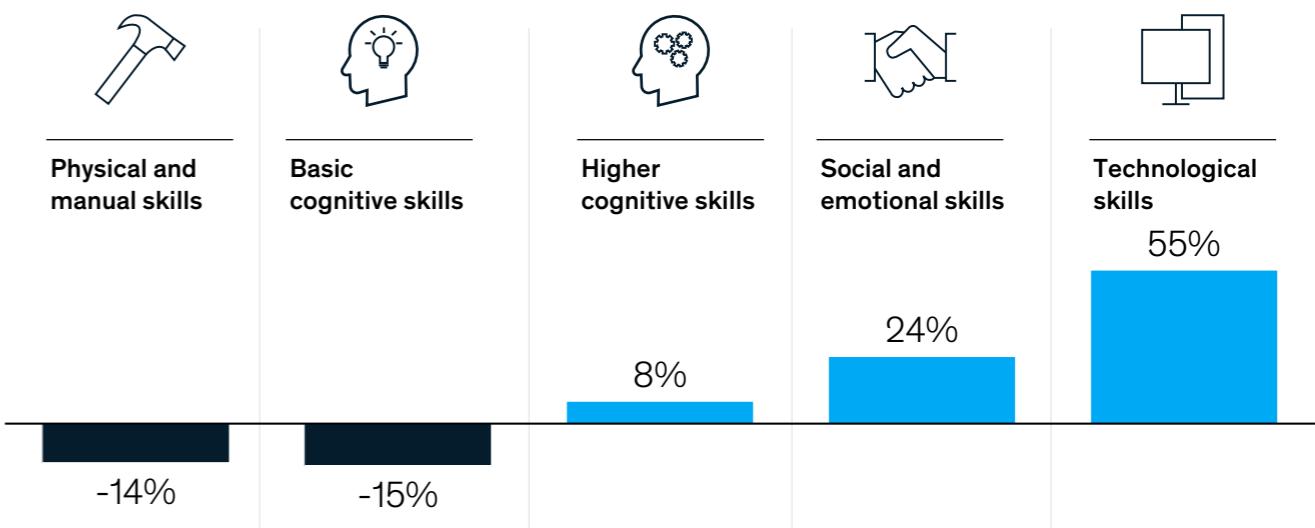
<sup>7</sup> Skill shift automation and the future of the workforce, McKinsey Global Institute, May 2018, mckinsey.com

<sup>8</sup> ILOSTAT, modelled estimates of employment by occupation by gender, 2018, ilo.org

Exhibit 2

### By 2030 there will be massive a demand for technology skills

Technological skills will see the highest increase in demand by 2030 due to the wave of digitization and its pervasive impact  
Change in skills required in Europe and US, 2016 v/s 2030, %

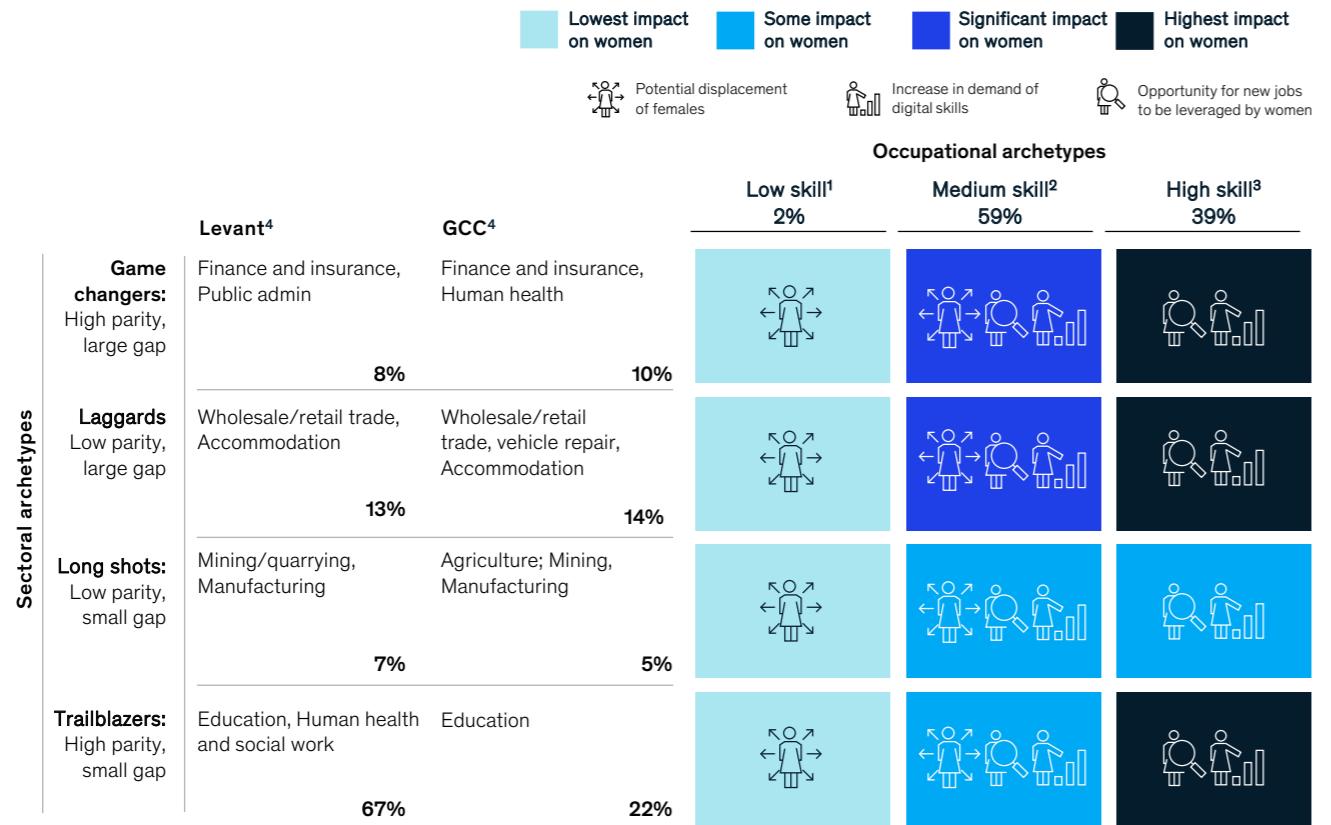


Source: Skill shift automation and the future of the workforce, McKinsey Global Institute, May 2018, www.mckinsey.com

For example, headquarters staff at retailers are increasingly turning to digital tools and advanced analytics to improve performance, while sales staff are using online stock-checking applications to respond to customer enquiries.

Exhibit 3

### Digitization requires women to upskill



1 Low skills: Elementary Occupations (e.g., construction labour), Agricultural, Forestry

2 Medium skills: Services and Sales, Craft and Related Trades, Clerical Support, Plant Ops

3 High skills: Managers, Professionals, Technicians and Associate Professionals

4 Percentage of total employed women in GCC and/or Levant

Four archetypes are defined based on the parity gap, i.e., the difference of average parity in Sweden, France, Australia, and Uruguay and average parity in GCC or Levant based on Bahrain, Egypt, Saudi Arabia and UAE. Parity is defined as the percentage of women of the total employed workforce in each sector.

- i. Game changers: Relatively high parity sectors in GCC/Levant and a high potential to improve based on benchmarks – big opportunity for more females to participate in these sectors
- ii. Laggards: Relatively low parity sectors in GCC/Levant but well-representative of females in benchmark countries – big opportunity for females to enter these sectors
- iii. Long shots: Subsectors where female representation is low, as is the case in benchmark countries – opportunity to improve gender parity still exists
- iv. Trailblazers: Subsectors where relatively high parity is achieved which is in line with parity in best in region countries

Note: Sectors used are examples and not an exhaustive list. Percentage of women employed does not add up to 100% as 7% are in 'not classified' or 'extraterritorial organizations' for GCC and 1% for Levant, and 42% are in 'households as employers' for GCC and 4% in Levant. Impact on women is based on a qualitative assessment and expert input.

Source: ILOSTAT, labor force survey, employment by sector, latest year; The future of jobs in the Middle East, McKinsey & Company, January 2018, mckinsey.com

### The proliferation of digital platforms

Digital platforms that match employees with traditional jobs, or create online marketplaces for contingent work, are opening up new avenues, especially for women. In addition, online channels enable women to have a more flexible lifestyle by streamlining work and personal commitments; for instance, by working from home, shopping for

goods and services online, or accessing healthcare with the touch of a button.

By 2025, the growing use of online talent platforms is expected to boost employment and bring more people into the workforce to the tune of \$2.7 trillion in additional global GDP and 72 million full-time equivalent (FTE) roles (Exhibit 4). In KSA and Egypt alone, such platforms could generate some \$53 billion and employ 1.2 million FTEs.<sup>9</sup>

Equally, online marketplaces for contingent work offer women<sup>10</sup> a huge opportunity to overcome the region's societal, cultural, and infrastructural barriers, while alleviating the double-burden syndrome (the need to combine work at home with paid employment). This dichotomy prevents women from undertaking traditional office jobs.

Around 40 million women across our selected countries are either unemployed or out of the workforce due to cultural, infrastructural, and familial challenges. Such women stand to gain from these new flexible and remote-working opportunities.

Online contingent work is picking up in the region: the UAE was the fifth-largest buyer of freelance services on Upwork in 2015, after the United States, Australia, the United Kingdom, and Canada. However, there is much more potential to link local freelancers to regional demand. For example, women remain significantly underrepresented on the regional freelancing platform Nabbesh, which only claims some 24,000 women out of a total of 120,000 freelancers.<sup>11</sup>

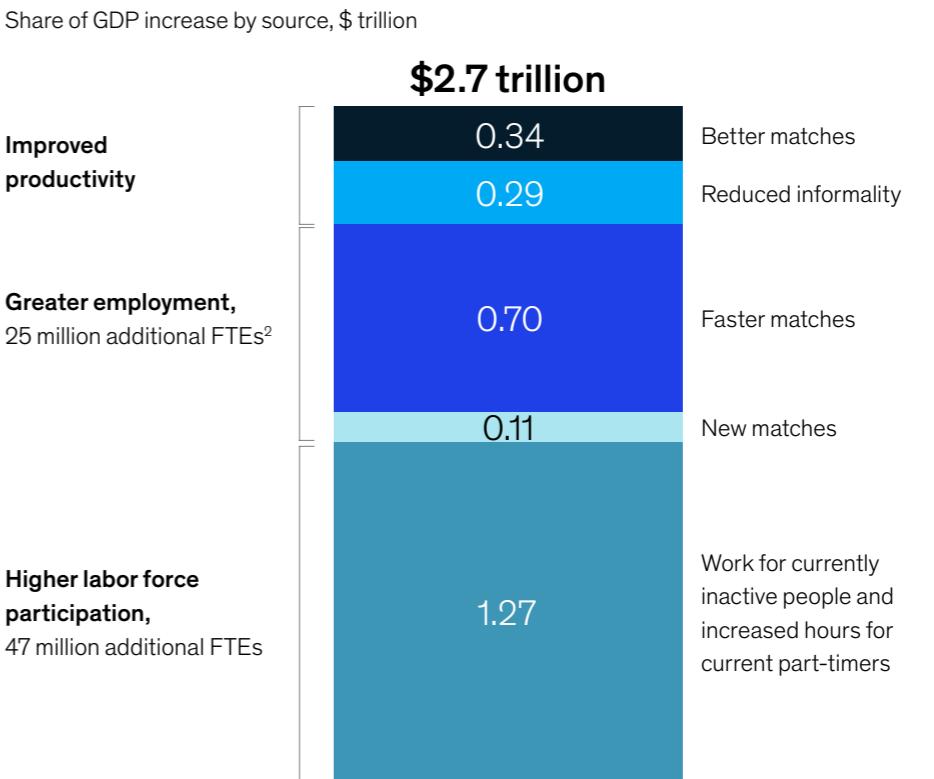
<sup>9</sup> A labor market that works: Connecting talent with opportunity in the digital age, MGI, June 2015, mckinsey.com

<sup>10</sup> Based on number of women out of the workforce (15-64 years old) in KSA, UAE and Egypt; assumption: approximately 60 percent of all women are in the labor force (based on US participation).

<sup>11</sup> Interview with Loulou Khazen Baz, Founder at Nabbesh.com

Exhibit 4

### Online platforms are set to boost GDP and create millions of jobs globally. Half of the impact is due to higher labor force participation.



1. Figures do not sum to total, because of rounding

2. Full-time equivalent

Note: The landscape of providers and solutions is evolving rapidly. These examples reflect a snapshot as of 2019

Source: MGI: A labour market that works: connecting talent with opportunity in the digital age, 2015

## Unlocking female entrepreneurship in the region

Beyond traditional employment, entrepreneurship is key to unlocking women's potential in the Middle East, and to increasing their economic contribution. Globally, we are poised for a rise in entrepreneurship as millennials increasingly dominate the workforce and Generation Z prepares to participate in the economy. Both groups differ significantly from their Generation X predecessors.

In general, they have a self-starter mindset, are entrepreneurial in nature,<sup>12</sup> like to take control of their schedules, are non-hierarchical, work to follow

their passion, and want to create an impact in the world.

The Middle East is defined by a youth bulge (55 percent under 30) but also by high youth unemployment (25 percent in KSA and 33 percent in Egypt),<sup>13</sup> which impacts everyone, especially women—female youth unemployment is 48 percent in KSA and 45 percent in Egypt.<sup>14</sup> Entrepreneurship can be a vital tool to capture the unfulfilled potential of youth, increasing their economic contribution, and providing significant opportunities for young women.

In the UAE, for example, over 23,000 businesses are run by Emirati women with a combined worth of approximately \$45–50 billion.<sup>15</sup>

<sup>12</sup> Valerie Calderon, US students' entrepreneurial energy waiting to be tapped, Gallup, October 2011, news.gallup.com

<sup>13</sup> UN population division latest data, ILOSTAT, Unemployment, youth total (percentage of total labor force ages 15–24) modelled estimates

<sup>14</sup> *Ibid*

<sup>15</sup> In UAE 23 thousand women run USD 50 billion valued businesses, Women Economic Empowerment Portal, February 2017, weeportal-lb.org

Exhibit 5

### Women in some medium-skill jobs such as sales or clerical work are most likely to be impacted by automation

Skill level	Occupations	Predominant work activities	% of total employed women
<b>High</b>	— Professionals, associate professionals, and technicians — Legislators, senior officials, and managers	— Manage — Expertise Interface	<b>39%</b>
<b>Medium</b>	<b>Upper medium:</b> — Service workers and shop and market sales workers — Craft and related trade workers	— Unpredictable physical work Interface	<b>51%</b>
<b>Low</b>	<b>Lower medium</b> — Clerical Support Workers — Plant and Machine Operators and Assemblers	— Predictable physical work — Collect data — Process data	<b>8%</b>
	— Skilled Agricultural, Forestry and Fishery Workers — Elementary Occupations	— Predictable physical work	<b>2%</b>

1. According to ILO modeled estimates, 7% of women are in clerical support workers occupation group and 15% are in service and sales workers (exact breakdown of how many of the 15% women are in service and sales is not available, hence we assume a 50% split). This data is for GCC and Levant (i.e., Bahrain, Jordan, Kuwait, Lebanon, Oman, Saudi, UAE, Egypt). To gauge impact of automation, we assume all 7% clerical staff will be at risk and half of the 15% (i.e. sales workers only) will be at risk. We assume service workers are safe.

Note: Data included for the following countries: Bahrain, Jordan, Kuwait, Lebanon, Oman, Saudi, UAE, Egypt. 15% of working women at risk: 7 percent in clerical support workers occupation group and approximately half of the service and sales workers occupation group that represents 15 percent of women (the remaining half, mostly comprising of service workers may be safe from the risk of automation)

Source: ILOSTAT, Labor force survey, gender parity by sector, latest year; McKinsey analysis

Jobs are expected to increase by

**2-2.5 times by 2030**

The digital world is massively expanding the potential for women to become online entrepreneurs by opening up new business opportunities, offering the flexibility to plan work around family life, and enabling women to run a business from home and choose the hours they work. While professional services ventures in areas such as interior and graphic design, translation services, or online tuition readily spring to mind, the range of business possibilities is almost limitless. For instance, social media in the Middle East—especially platforms such as Snapchat, YouTube, and Instagram—has enabled the rise of social influencers, bloggers, and vloggers, for example, and now form an integral part of many luxury and lifestyle brands' marketing strategies.

### Some automation risk for women

Automation is expected to affect high-labor-intensity sectors in the region, as seen across global economies (e.g., manufacturing). However, we expect automation to have a low impact on women given traditional employment sectors typically have low automation potential; for example, education and healthcare.<sup>16</sup>

### Automation is set to affect only 15 percent of women

Automation's impact on women's occupations will be relatively modest: only around 15 percent of women are expected to be affected, with jobs such as data processing and collection most at risk (Exhibit 5). Moreover, individuals with a tertiary education<sup>17</sup> will be less affected than their less-educated peers.

While 15 percent of women are at risk of job displacement from automation

and will require upskilling or reskilling, a significant majority of women will remain unaffected given their presence in low-automation-risk sectors (over 30 percent<sup>18</sup> work in healthcare, education, arts, and public administration), high-skilled jobs (39 percent), and craft work (33 percent).<sup>19</sup>

Women can potentially benefit from new opportunities arising from increased automation, including managing what were previously labor-intensive processes. For example, in the mining sector, as operations are automated, jobs that require intensive physical labor will decline while office roles such as process manager are likely to be created to manage newly automated processes. Such jobs are female-friendly and should attract more women to the sector.<sup>20</sup> However, the biggest challenge women are expected to face in leveraging this opportunity is the existing perception that these jobs are more suited to men.

### The Fourth Industrial Revolution will more than double the job opportunity for women

Female participation in professional and technical jobs (used as proxy for the jobs of the future) stands at 4.6 million out of 13 million employed women in the seven countries we studied. Those jobs are expected to increase by 2-2.5 times by 2030 to reach 10-11 million.<sup>21</sup>

In summary, the future is about participation in the new digital world, leveraging the digital and data revolution and the opportunities it represents. Therefore, the objective is not just participation of women in the labor force but, more specifically, the participation of women in the productive professional and technical jobs that represent the jobs of the future.

<sup>16</sup> ILOSTAT, labor force survey, employment by sector, latest year, ilo.org

<sup>17</sup> Tertiary education: a bachelor's degree and above.

<sup>18</sup> ILOSTAT, labor force survey, gender parity by sector, latest year, ilo.org

<sup>19</sup> ILOSTAT, modelled estimates of employment by occupation by gender, 2018, ilo.org

<sup>20</sup> Interview with mining expert.

<sup>21</sup> Share of professional and technical jobs estimated based on comparable countries studies in the "Future of Women at Work" MGI 2019 report. The comparable countries have been selected based on the share of technical and professional jobs in 2017. LFPR growth estimated based on growth of LFPR for comparable countries with similar labour force trajectory in the last decade, based on ILO data.

## 02 Middle East gender parity in professional and technical jobs



# Middle East gender parity in professional and technical jobs

## In the Middle East, women's participation in professional and technical jobs is not on par with men

Increased female participation in the labor force delivers real benefits: it boosts economic growth,<sup>22</sup> creates diversity in the workplace with a knock-on effect on performance,<sup>23</sup> offers financial independence for women,<sup>24</sup> and improves family well-being.<sup>25</sup>

Today, the region still faces some unique challenges, including the lowest female labor force participation rate (LFPR) in the world at 24.6 percent—significantly lower than the world average of 47.8 percent (Exhibit 6). By contrast, men's participation in the labor force is comparable to other regions globally. On average, GCC countries have higher levels of female participation

in the workforce than those in the Levant (LFPR of 32 percent versus 21 percent). In Kuwait, Oman, and the UAE, women participate in the workforce at rates similar to best-in-region countries globally, explained by the higher number of expatriates in lower- and middle-income jobs.

However, these bright spots do not extend to the rest of the region, where female LFPR is an ongoing challenge.

To succeed in the new world of work, women need distinctive skills, mobility options, and technological savviness. Yet, the most important determinant of sustainable parity and gender equality is unbiased access to professional and

technical jobs. This is the factor most likely to enhance the chances of women truly participating and succeeding in the Fourth Industrial Revolution.

When focusing on productive professional and technical occupations, we notice that women face some unique challenges that do not affect their male counterparts. We see intriguing variations in the level of inequality between the countries in our study. For example, the female-to-male ratio in the professional and technical jobs is lowest in the UAE (0.22), KSA (0.31), Oman (0.35) and Jordan (0.44) versus a moderate

ratio for Egypt (0.62), and ratios on par with best-in-class countries for Lebanon (0.8), and Kuwait (0.93).

## So why has inequality in professional and technical jobs remained so high?

To find answers, we explored indicators under the Global Parity Score (GPS)<sup>26</sup> 2019 model and identified which labor-market-related indicators correlate strongest with the professional and technical jobs' female-to-male ratio.

<sup>26</sup> As per the Global Parity Score, there are two types of indicators which determine the level of parity: gender equality at work and gender equality in society. For more details about the GPS 2019 methodology please refer to the McKinsey 2019 report "The future of women at work: Transitions in the age of automation."

Exhibit 7

### Gender equality levels across indicators that highly correlate to LFPR

#### Gender inequality levels

Extremely high   High   Medium   Low   No data

	Middle East							Best in class					All countries <sup>1</sup>
Indicator	Egypt	Jordan	Lebanon	Kuwait	Oman	KSA	UAE	Australia	Canada	South Africa	Sweden	Uruguay	
Female population (Mil) <sup>2</sup>	48.2	4.7	3.0	1.8	1.6	14.1	2.5	12.3	18.5	28.9	5	1.8	2500
Overall GPS <sup>3</sup>	0.53	0.49	0.53	0.49	0.45	0.42	0.47	0.76	0.78	0.72	0.86	0.92	0.61
Professional and Technical Jobs (F/M) <sup>4</sup>	0.62	0.44	0.8	0.93	0.35	0.31	0.22	1			1	0.98	0.81
Education level (F/M) <sup>5</sup>	0.92	0.99	1	0.99	0.98	0.96	0.98	0.98	0.98	0.98	0.98	0.92	0.92
Digital Inclusion (F/M) <sup>6</sup>	0.95			1	0.93	0.83	1	1	0.98	0.95	1	0.98	0.9
Financial Inclusion (F/M) <sup>7</sup>	0.53	0.47	0.66	0.89	0.61	0.5	0.77	1	0.96	0.8	0.8	0.92	0.73
Legal Protection (index) <sup>8</sup>	0.4	0.16	0.4	0.1	0.25	0.21	0.1	1	0.65	0.75	1	0.7	0.58

1. 125 countries

2. UN Population Division, 2017

3. MGI mapped 15 indicators of gender inequality in society (women's education levels and rate of child marriage, for instance) and gender inequality in work (for example, female labor-force participation, and presence in leadership roles) and compiled them into a gender parity score, or GPS. A GPS score of zero represents no gender parity, while 1.0 represents full gender parity. For instance, a GPS score of 0.95 indicates that 5 percent further progress is needed before full gender parity is attained. Color coding differs between gender equality indicators. For more details about the GPS 2019 methodology, see *The future of women at work: Transitions in the age of automation*, 2019

4. Professional and Technical jobs (F/M): Female to Male ratio of all persons of working age who, during a specified brief period, were in the following categories: (a) paid employment (whether at work or with a job but not at work); or (b) self-employment (whether at work or with an enterprise but not at work) under the International Standard Classification of Occupations (ISCO) group 2 (Professionals) and 3 (Technicians and Associate Professionals), ILO latest available years

5. Education level (F/M): Female-to-male composite ratio of the rate of adult literacy rate, secondary education enrollment rate, and tertiary education enrollment rate extracted from the UNESCO database, latest years

6. Digital inclusion (F/M): Female-to-male composite ratio of the rate of internet and mobile users extracted from the ITU database, latest years

7. Financial inclusion (F/M): Female-to-male ratio; composite indicator of the rate of account holders at a financial institution, borrowing from a financial institution in the previous 12 months, and use of mobile phones to send money extracted from the Global Findex database 2017, World Bank

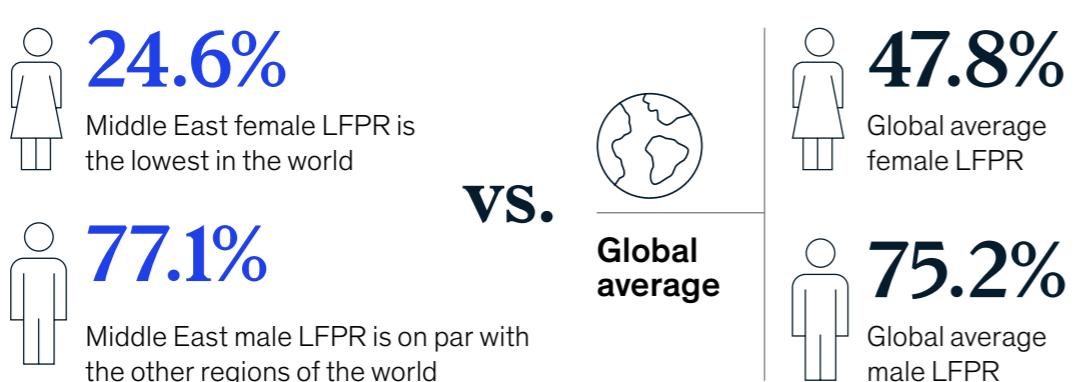
8. Legal protection (index): Composite index of the extent of protection to women by different legal provisions (e.g., right to inherit, access to jobs) extracted from the World Bank report: *Women Business and Law 2019* report

Source: McKinsey Global Institute analysis

Exhibit 6

### At half the global average, the Middle East's LFPR is the lowest in the world

Female and male LFPR as a share of total female working age population (15+) (%).



<sup>1</sup> Studied seven countries in the Middle East in 2019: Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia, and the UAE.  
Source: ILO modelled estimates, 2019; McKinsey analysis

**“In previous studies, we found cultural barriers, organizational policies barriers, and self-imposed barriers. In many cases, women defeat themselves and give up too soon. All three types need to be tackled if we want more women to become corporate leaders.”**

CEO, Dubai-based institute

Four indicators were identified to have relatively higher correlations with inequality in professional and technical jobs: education level, digital inclusion, financial inclusion, and legal protection.

The countries in our study fall short on gender parity across some of these indicators (Exhibit 7). Parity in these areas is considered an incentive for women to participate in highly skilled jobs, while a lack of perceived equality is a significant disincentive.

Interestingly, men and women have similar education level rates<sup>27</sup> with the highest registered in Lebanon (1) and Jordan (0.99) and the lowest in Egypt (0.92), mainly as a result of the impressive investment in female education in the past few decades in the region.

In terms of financial exclusion,<sup>28</sup> gender inequality is most prevalent in Jordan (0.47) and Saudi Arabia (0.5), while

the UAE and Kuwait show the highest parity scores in the region at around 0.77 and 0.89 respectively. Additionally, despite recent efforts to improve legal protection<sup>29</sup> for women, the region falls short of global averages, with figures ranging from 0.4 in Egypt and Lebanon down to 0.1 in Kuwait and the UAE compared to the 0.58 for all countries globally.

The Middle East returns very satisfactory gender equality scores for digital inclusion<sup>30</sup> in countries where data is available (0.95 in Egypt and 1 in both Kuwait and the UAE). This could serve as a strong catalyst to increase female representation in the professional and technical jobs as well as jobs of the future if the right conditions are put in place.

Checking gender inequality levels solely for each driver is not sufficient as it does not inform us on how men or women perform separately for each

## Women in general tend to prefer arts and education degrees

indicator. We therefore further explore below the four drivers and seek to provide a more comprehensive picture of how they affect women and their ability to actively participate in the jobs of the future.

### Access to education and literacy

#### levels are not the primary challenges

In addition to equal literacy and higher rates of enrollment in primary and tertiary education institutions, a 2018 World Bank report finds that girls in the MENA region are outperforming boys in learning outcomes, showing that the largest gender disparities in student achievement are in favor of girls.<sup>31</sup> For instance, KSA and Jordan have the largest gaps, with boys underperforming girls by 29 points in science, followed by the UAE (26 points) and Lebanon (5 points) (Exhibit 8).

Multiple studies and books have shown that women continue to outperform men even at university levels across disciplines,<sup>32</sup> confirming what we already know; intrinsically men and women are on par.

More interestingly, over the last decade, countries with high levels of inequality in technical and professional jobs—

KSA and the UAE—have experienced reverse gender gaps in education: female university graduates now outnumber men in both countries. In KSA and the UAE, the female-to-male graduate differential is wide—there were respectively 24 percent and 13 percent more female graduates than male.<sup>33</sup> In the UAE, KSA, and Egypt, the number of women opting for degrees in STEM-related fields is increasing, but is not yet on par with men, particularly in the fields of engineering, manufacturing, and construction (Exhibit 9).

Women in general tend to prefer arts and education degrees that are not designed to equip individuals with the technical skills required to succeed in professional and technical jobs. In addition, this is a ripple effect, as young girls tend to emulate and follow the path of their role models. This trend is better in the broader Arab region, with women making up 34–57 percent of STEM graduates—a much higher figure than observed in universities across Europe or the United States.<sup>34</sup>

<sup>31</sup> Expectations and aspirations: A new framework for education in the Middle East and North Africa, World Bank, 2019, worldbank.org, figures from Trends in International Mathematics and Science Study (TIMSS)

<sup>32</sup> Thomas A DiPrete and Claudia Buchmann, The rise of women: The growing gender gap in education and what it means for American schools, Russell Sage Foundation, 2013

<sup>33</sup> Female and male enrolment in tertiary education: FCSA, GASTAT, 2017

<sup>34</sup> UNESCO science report: Towards 2030, United Nations Educational, Scientific and Cultural Organization (UNESCO), Paris: UNESCO Publishing, 2015, 820 pp.

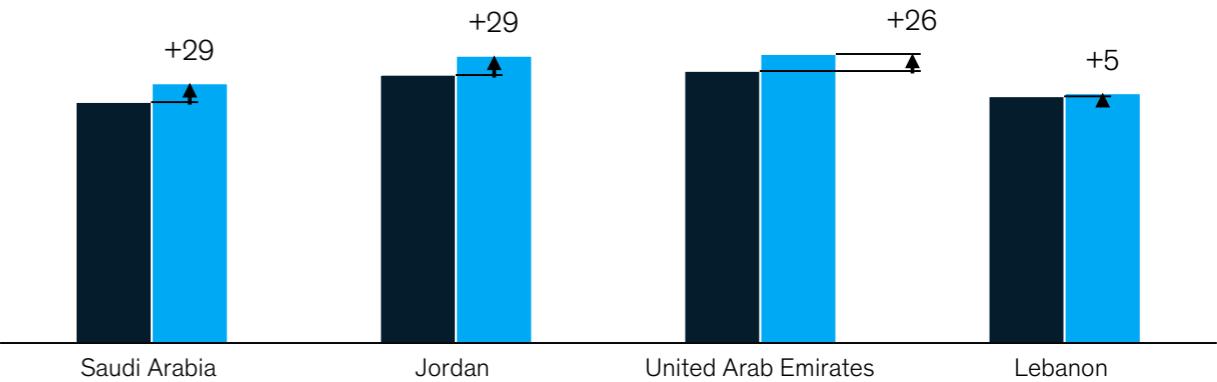
Exhibit 8

### Average science scores indicate girls outperform boys in all seven countries

#### Learning outcomes differences

#### Average Science Achievement by Gender

TIMSS Scores – Grade 8



Source for TIMSS Results; IAE - International Association for the Evaluation of Educational Achievement (2015)

<sup>27</sup> Female-to-male composite ratio of the rate of adult literacy rate, secondary education enrollment rate, and tertiary education enrollment rate extracted from the UNESCO database, latest year

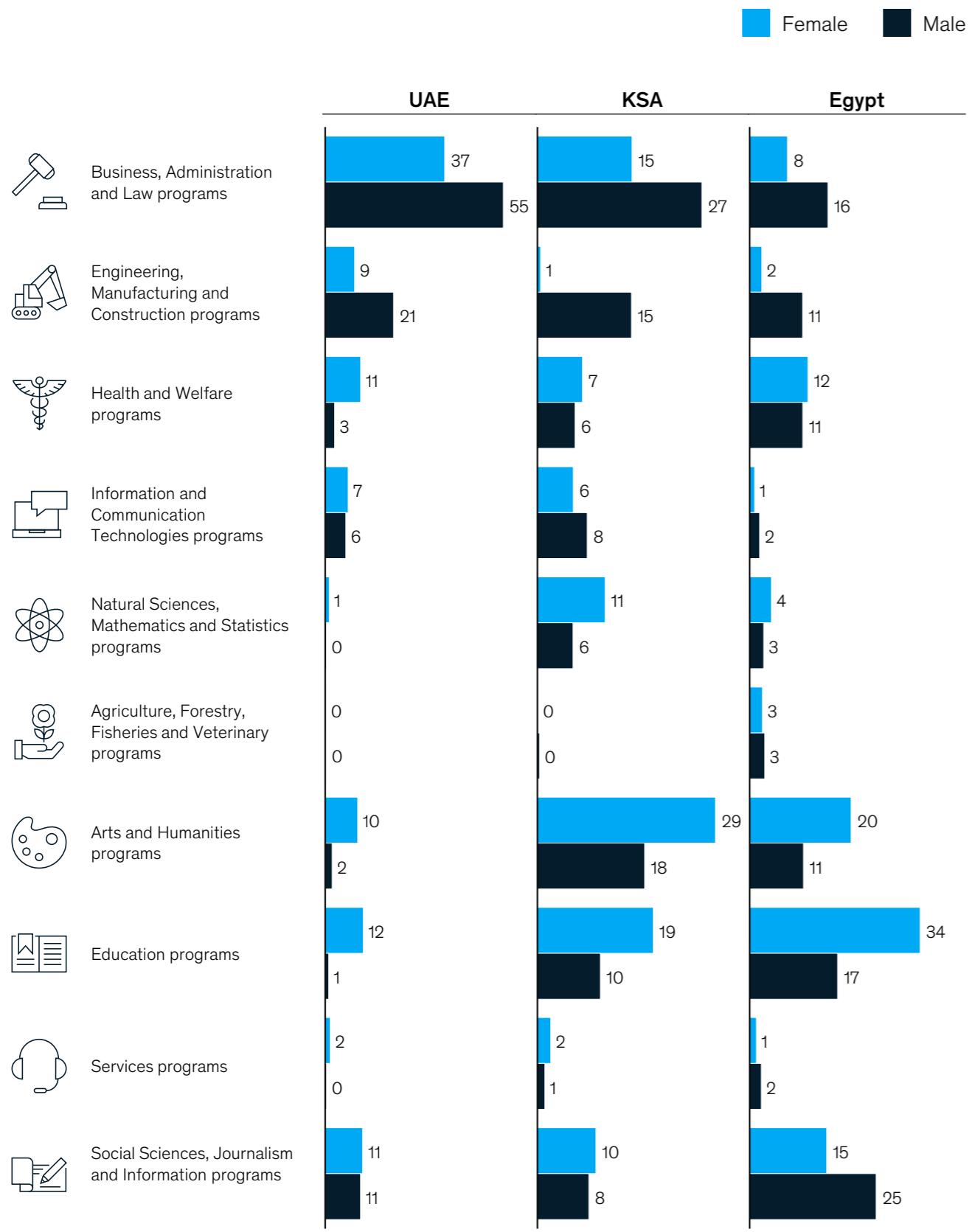
<sup>28</sup> Female-to-male ratio; composite indicator of the rate of account holders at a financial institution, borrowing from a financial institution in the previous 12 months, and use of mobile phones to send money extracted from the Global Findex database, World Bank

<sup>29</sup> Composite index of the extent of protection to women by different legal provisions (e.g., right to inherit, access to jobs) extracted from the Women Business and Law 2019 report

<sup>30</sup> Female-to-male composite ratio of the rate of internet and mobile users extracted from the ITU database, latest year

## The number of women posting for degrees in STEM-related fields is not yet on par with men

Percentage of graduates from tertiary education by field of study, % of males and females



Source: UNESCO, 2019; McKinsey analysis

Technical and vocational education and training (TVET), in particular, can be a game changer for women lacking formal education, but current levels remain low regionally. With the exception of Egypt, which has made significant efforts to boost TVET quality in collaboration with the European Union and GIZ,<sup>35</sup> Middle East vocational programs tend to suffer from a failure to address market needs, and poor perception of prestige among employers and prospective students, especially when it comes to assigning value to TVET degrees at the same level as academic ones. Although in Egypt over half (53 percent) of participants in TVET programs are female, this figure drops to 37 percent in the UAE and 26 percent in Saudi Arabia.<sup>36</sup>

### Digital inclusion: Promising picture with even greater potential

As the global economy becomes more interconnected, the internet has evolved into an essential tool for job searches, networking, running a business, receiving and making payments for trade with buyers and suppliers, and obtaining microcredit.

According to the OECD, flexibility and choice in where, when, and how to work can be beneficial to women and may boost female employment rates—countries with the greatest share of women working from home also have the highest maternal employment rates.<sup>37</sup> Social media and mobile connectivity have empowered women socially and economically in a number of countries: information and communication technologies provide women and girls with improved access to healthcare, education, job training, and participation in their societies.

Digital inclusion holds considerable promise in the Middle East, with both

Kuwait and UAE already on par with gender ratios in best-in-class nations, and only medium levels of inequality in Oman (parity ratio 0.93), Saudi Arabia (0.83), and Egypt (0.95).

Digital inclusion is a critical catalyst for boosting female participation in professional and technical jobs within the region as technology begins to reshape the workplace, offering more job opportunities and greater flexibility for women who work. Specifically, digital platforms offer jobs and networking opportunities both locally and globally, and an exit from the gray economy in countries where cultural barriers make it difficult for women to work within the formal economy.

New opportunities are arising, as seen with the introduction of digital entrepreneurship, such as social media influencers on Instagram. Digital platforms bring women greater control over their personal schedule, reducing external childcare-related costs, and eliminating the need to physically travel to work each day, as well as the promise of relief from the dual burdens of formal work and child care.<sup>38,39</sup>

Nevertheless, digital parity is actually less established than it first appears: the gender gap in mobile internet use is 20 percent—with 69 million women still not using mobile internet in the broader MENA region, compared to 4 percent in both Europe and Central Asia as well as East Asia and Pacific regions.<sup>40</sup> For every 10 men that access the internet, only 8 women do, indicating a need for digital inclusion before the benefits of digital platforms can even be seen.

Today, fewer women are opting for college degrees that teach digital skills compared to men. The gap is particularly wide in KSA where 6 percent of women graduate from

<sup>35</sup> Assistance to the reform of the technical and vocational education and training system, European Union External Action, August 2016, [eeas.europa.eu](http://eeas.europa.eu); The future of technical & vocational education & training in Egypt, German-Arab Trade, January–February 2018, [aegypten.ahk.de](http://aegypten.ahk.de)

<sup>36</sup> ILOSTAT, GCC Stats, CAPMAS, Bayanat.ae, General Authority for Statistics KSA – Latest year available from 2014 to 2017, McKinsey analysis

<sup>37</sup> Going digital: The future of work for women, OECD, July 2017, [oecd.org](http://oecd.org)

<sup>38</sup> The industry gender gap: Women and work in the fourth industrial revolution, World Economic Forum, January 2016, [weforum.org](http://weforum.org)

<sup>39</sup> The social wisdom of wired women around the world, MSL Group, November 2013, [mslgroup.cn](http://mslgroup.cn)

<sup>40</sup> Connected women: The mobile gender gap report 2019, GSMA, March 2019, [gsma.com](http://gsma.com)



digital-related fields versus 23 percent for their male counterparts (Exhibit 10).

This difference can seriously undermine access to jobs through online platforms such as LinkedIn (28 percent of LinkedIn profiles in the broader MENA region are women versus 44 percent globally)<sup>41</sup> and regional equivalents such as Bayt.com, NaukriGulf, and GulfTalent.

Not only that, but women are also more conservative in online freelance job marketplaces: although these marketplaces are open to everyone—not controlled by an organizational setup and gender neutral—women tend to not only participate less, but also typically charge up to 50 percent less compared to male hourly rates.<sup>42</sup>

Research found that female freelancers undervalue themselves compared to their male counterparts with similar profiles, experiences, and capabilities in labor marketplaces, such as Freelancer.com, Upwork,

and Taskrabbit. In addition, male freelancers' career progressions are much faster than female freelancers in all studied categories.<sup>43</sup> Hence, there is not just the pay gap disconnect, but also a career progression challenge for female freelancers.

To advance the agenda, stakeholders can consider a number of best-practice initiatives, such as creating a supportive policy framework—particularly around soft and hard skills development. For example, the One Million Arab Coders program aims to empower women and men in the region with essential future employment skills in ICT through a series of online courses and certifications.

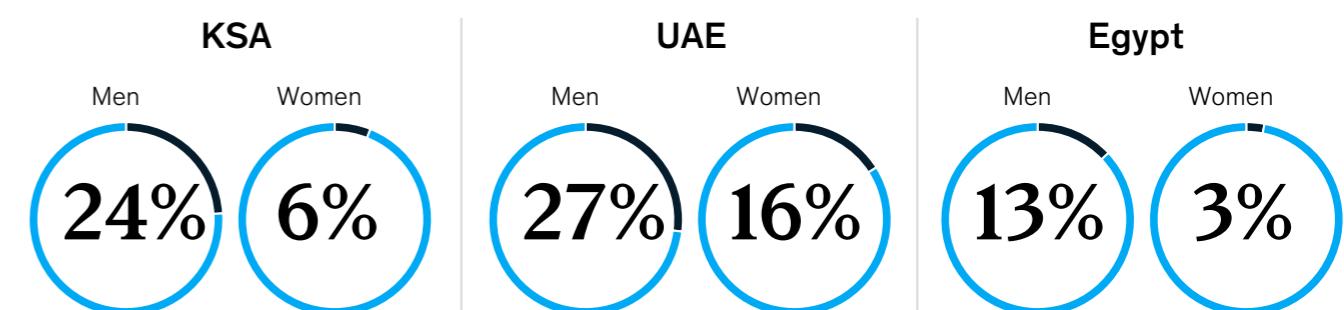
The good news is that agencies across the region have made significant efforts to boost female digital inclusion (Exhibit 11), and there is further inspiration from a variety of initiatives globally.

<sup>41</sup> Social media and the internet of things: Towards data-driven policymaking in the Arab world—Potential, limits and concerns, Mohammed Bin Rashid A Maktoum Global Initiatives, 2017, mbrsrg.ae; based on the following 18 MENA countries: Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, KSA, Kuwait, Lebanon, Libya, Mauritania, Morocco Oman, Palestine, Qatar, Tunisia, UAE, and Yemen

<sup>42</sup> Shira Stiegitz, Report: Women freelancers on Upwork & Fiverr make 50% less than men, June 2019, websiteplanet.com/blog

<sup>43</sup> Analyzing gender pay gap in freelancing marketplace, Accenture, 2017, researchgate.net

Exhibit 10  
**Fewer women take college courses equipping them for the digital future**



<sup>1</sup> We summed total graduates in Engineering, Manufacturing and Construction programs and Information and Communication Technologies programs by gender. Source: UNESCO, education by field, 2016; McKinsey analysis

## Regional efforts are seeking to boost female digital inclusion

Program title	Impact of the project	Target population	Duration	Advocacy	Community Building	Funding	Job Opportunities	Multi-stakeholder partnership	Training
1 Million Arab Coders UAE government	<ul style="list-style-type: none"> <li>The program aims to empower one million Arabs (female &amp; male) with essential future employment skills—coding—through a series of online courses &amp; certifications. Offers opportunity for students &amp; tutors to be involved in one of the four different developer tracks in high demand: Front End Web Development, Back End Web Development, Data Analysis, &amp; Android Development.</li> </ul>	Arab Countries	2018—ongoing	✓	✓				✓
Improving Prospects for Digitally Enabled Livelihoods Among Marginalized Communities in Egypt Canadian government as part of #eskills4girls G20 initiative	<ul style="list-style-type: none"> <li>The initiative trained at least 500 youth (70 percent women) in digital &amp; business skills. At least 2 government agencies (national &amp; local) &amp; 2 NGOs have adopted better practices &amp; policies to improve support for digital entrepreneurship. Piloting &amp; testing a curriculum is to be scaled to the region.</li> </ul>	Northern Egypt	2017–2019	✓	✓	✓	✓	✓	✓
She Trades MENA (as part of the global She trades initiative) International Trade Centre	<ul style="list-style-type: none"> <li>The She Trades Middle East and North Africa Hub aims to connect 3 million women to market by 2021. It seeks to rally support from policymakers, business community, &amp; women's organizations to harness international trade to connect &amp; empower women economically.</li> </ul>	Middle East & North Africa	2019–2021	✓	✓		✓		
Online educational platform “Rwaq” Rwaq	<ul style="list-style-type: none"> <li>Since 2013 this Riyadh-based company has been offering a fully native, fully Arabic massive open online course (MOOC) platform, with content from local professors and an appealing interface. Courses range from social media, art, psychology, to medicine, engineering, &amp; religion. More than 1.9 million enrolments have been registered as of 2017—especially by women.</li> </ul>	Middle East	2013—ongoing	✓					✓
Mahart min Google + Injaz Google.org Injaz foundation	<ul style="list-style-type: none"> <li>Google.org will provide a million-dollar grant for Injaz Al-Arab to help 100,000 high school &amp; university students (especially rural women &amp; underprivileged) to learn digital skills through hands-on training.</li> </ul>	Middle East	2018—ongoing	✓			✓	✓	✓
Girls Got IT Lebanese League for Women in Business	<ul style="list-style-type: none"> <li>Girls Got IT creates opportunities for girls aged 13–17 to learn directly from successful startups &amp; entrepreneurs. Subjects covered include 3D printing, mobile development, web development, software application, robotics, hands-on engineering, introduction to graphic design, introduction to architecture, social media, mobile app development &amp; other contemporary topics in engineering &amp; technology.</li> </ul>	Lebanon	2019	✓			✓	✓	✓

Note: Global initiatives to boost female digital inclusion are available in the appendix.

Source: Press search, 2019; McKinsey analysis

### Financial inclusion: Looking up in the GCC, with room for improvement in the Levant

When women are included in the financial system, whether traditionally or via innovations such as microcredit,<sup>44</sup> they are able to better manage risk, start or invest in a business, and fund large expenditures such as education or a home improvement.<sup>45</sup> Clearly, financial inclusion by itself does not result in more women participating in the workforce; however, it is one of the strongest indicators of economic participation, and an important platform for entrepreneurial activity.

GCC countries lead the region with high parity in terms of female access to bank accounts (the female-to-male access ratio is 0.79), while the Levant falls short, with fewer than 30 percent of women having access to accounts in 2017 (Exhibit 12). The GCC's lead is attributable to several factors, especially with rates of urbanization

in KSA and the UAE exceeding 84 percent.<sup>46</sup> KSA has been registering the highest growth in bank account access in recent years, up from 15 percent in 2011 to almost 60 percent in 2017.<sup>47</sup> This is likely a result of financial inclusion initiatives by the government that form part of its 2020 goals, for example, encouraging banks to open branches in rural areas, simplifying access to savings accounts, relaxing certain guardianship laws—especially related to female access to finance and work in general—and providing products targeting financially-excluded individuals.

However, room remains for substantial improvement across all countries. In Egypt, 73 percent of the adult female population—nearly 24 million individuals—are unbanked or underbanked;<sup>48</sup> a 12 percent gap versus men. This is most likely due to high levels of informality in the private sector; increasing from 30 percent

in 1998 to over 40 percent in 2012,<sup>49</sup> including many unregistered micro-businesses set up by young women. In Jordan, we see the lowest level of female access to bank accounts across all selected Middle East countries, partly due to a large informal sector which made up 26 percent of total GDP in 2011, according to the IMF.<sup>50</sup> With access to bank accounts at such a low level, there is a significant opportunity to improve account penetration rates or find alternative financial inclusion approaches.

Moreover, both women and men have limited access to credit across the region, with borrowing from financial institutions by women at very low levels—between 5 and 15 percent across selected countries in 2017 with the highest levels seen in Kuwait and the UAE. Despite a high female-to-male ratio in access to credit

(0.91) in Kuwait, the percentage of women borrowing money from a bank is as low as 15 percent.<sup>51</sup> Within the Levant region, especially in Egypt, the picture is different: the lack of formal identification in rural areas in Egypt may prevent women's access to credit and basic rights. However, initiatives driven by the government and the United Nations are seeking to equip millions of women with national IDs,<sup>52</sup> while microcredit programs are providing access to finance for lower-income households. Female financial inclusion in Egypt has increased five-fold over the past three years to 27 percent thanks to microfinance<sup>53</sup> and government transfers.<sup>54</sup>

Beyond basic account ownership, in the entrepreneurial space we see that venture capital (VC) and angel investment activities are also subject to low gender parity—a global

<sup>44</sup> Maren Duvendack and Philip Mader, Impact of financial inclusion in low- and middle-income countries: A systematic review of reviews, Campbell Systematic Reviews 2019:2, 2019

<sup>45</sup> Robert Cull, Tillman Ehrbeck, and Nina Holle, Financial inclusion and development: Recent impact evidence, Consultative Group to Assist the Poor, 2014, cgap.org

<sup>46</sup> United Nations Population Division, World Urbanization Prospects: 2018 Revision

<sup>47</sup> Global Findex database 2011–2017, World Bank

<sup>48</sup> Egypt's economic recovery will not succeed without a key ingredient: Women, Women's World Banking, November 2018, womensworldbanking.org

<sup>49</sup> Stocktaking Report: Egypt, OECD, 2018, oecd.org

<sup>50</sup> Yasser Abdih, MENA oil importers: Addressing informality and promoting inclusion, Regional Economic Outlook, Middle East and Central Asia, Washington: International Monetary Fund, 2011

<sup>51</sup> Global Findex database, men and women access to credit for the selected countries, 2017

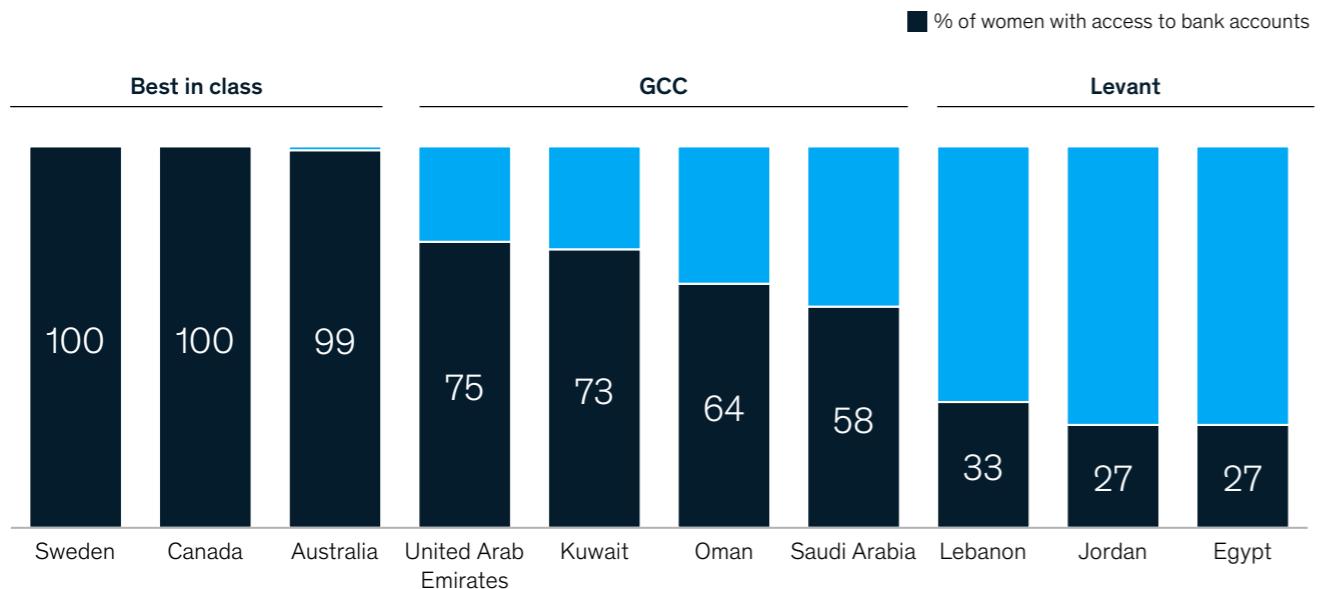
<sup>52</sup> The citizenship initiative: A young woman's pursuit of proclaiming her existence, United Nations Development Programme, eg.undp.org

<sup>53</sup> Expanding financial access for rural women in Egypt, Women's World Banking, January 2019, womensworldbanking.org

<sup>54</sup> Cash transfers: Empowering Egyptian women to achieve their goals, The World Bank, March 2019, worldbank.org

Exhibit 12

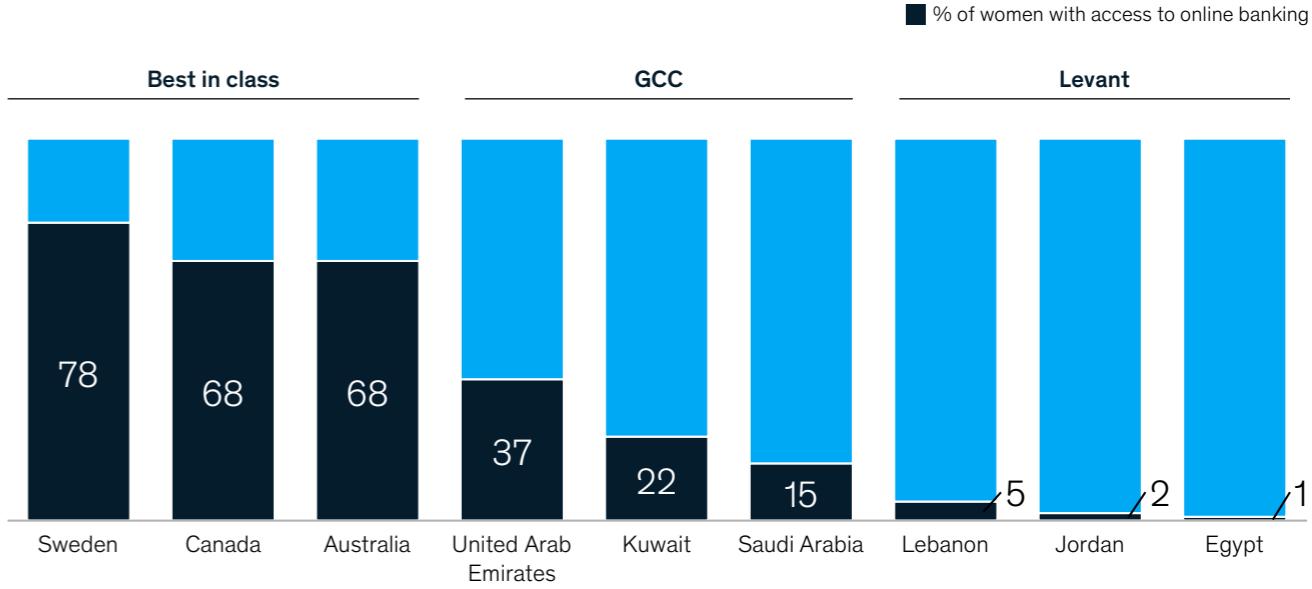
The GCC leads on female access to bank accounts, whereas fewer than a third of women in the Levant are account holders



Source: Global Findex database, 2017; McKinsey analysis

Exhibit 13

Online banking is rare among women in the region; however, the GCC has a clear comparative advantage thanks to high internet and smartphone penetration



Source: Global Findex database, 2017; McKinsey analysis

## Key initiatives are being launched in the region to boost female financial inclusion

	Access to bank accounts & credit
Countries/regions	Initiatives
Egypt	<ul style="list-style-type: none"> <li>International Finance Corporation signed a 2018 agreement with Banque Misr, Egypt's second-largest bank, to expand the number of women-led businesses in its SME Banking portfolio and support informal micro businesses—often owned or led by women—move to the formal sector. The aim is to turn Banque Misr into the country's leading bank for women in business.<sup>1</sup></li> </ul>
Jordan	<ul style="list-style-type: none"> <li>Shorouq Banking program launched by Bank Aletihad in 2014 provides alternative services including: collateral free loans; startup loans up to 100k JOD (\$141k) with flexible repayment and maturity terms; savings account for all types of women—mothers, businesswomen, students, employees, or homemakers. Since launch, the bank's female client base is up 258 percent.</li> </ul>
KSA, UAE	<ul style="list-style-type: none"> <li>KSA and UAE are among the earliest and largest donors to the Women Entrepreneurs Finance (WE-Fi), a multilateral financing facility housed in the World Bank that aims to support women's entrepreneurship globally.<sup>2</sup></li> </ul>
MENA	<ul style="list-style-type: none"> <li>The Women's Angel Investor Network is building an informed ecosystem of female investors to support women entrepreneurs in the Arab world. Its multipronged strategy covers education and training, governance, mentoring, and encouragement.</li> <li>Mindshift Capital, Global Ventures, and Flat6Labs pledge to invest \$70 million in MENA-based women-founded startups by 2020 as part of the "Billion Dollar Fund for Women" global consortium.</li> </ul>
	Mobile banking
Countries/regions	Initiatives
Egypt	<ul style="list-style-type: none"> <li>AlexBank signed a strategic MOU with the National Council For Women (NCFW) supported by the Central Bank of Egypt to ensure women's access to financial and non-financial services in every Governorate and village in Egypt. The initiative aims to implement concrete steps to improve the financial inclusion of women living in rural areas while enhancing their general level of financial literacy through a mobile application.<sup>3</sup></li> <li>Arab Women's Enterprise Fund helps poor women scale the financial inclusion pyramid by: <ul style="list-style-type: none"> <li>Increasing awareness, understanding, and trust in digital financial services</li> <li>Supporting fintechs to develop female-focused strategies</li> <li>Communicating challenges and opportunities, and innovating models for closing the digital and financial gender gaps</li> </ul> </li> </ul>

<sup>1</sup> IFC and Banque Misr sign Egypt's first women banking agreement to support female entrepreneurs, International Finance Corporation, September 2018, ifcextapps.ifc.org

<sup>2</sup> Why supporting women's economic inclusion is vital for the GCC, World Bank, September 2017 worldbank.org

<sup>3</sup> AlexBank Report: Financial inclusion in Egypt, 2017

Source: McKinsey analysis

phenomenon. In 2018, female founders in the United States raised only 2.2 percent of the \$130 billion total VC funds invested over the year.<sup>55</sup> The situation is even worse in the Middle East with the region characterized by limited VC and angel investment activity compared to the rest of the world.<sup>56</sup>

With women having poor access to funding their start-ups, an additional barrier for workplace parity arises.

Women's uptake of mobile and internet banking, too, remains extremely limited in absolute terms across the region, and also in comparison to best-in-class countries (which have rates above 68 percent), despite high levels of digital inclusion and good infrastructure in GCC countries (Exhibit 13).

By contrast, digital ecosystems in Jordan and Egypt lag behind those in KSA and the UAE (online financial products are still not well developed),<sup>57</sup> with overall mobile and internet banking penetration still exceedingly low—and even lower among women—despite actual phone ownership showing close to gender parity. Overall, technology solutions have the potential to be an important driver of inclusion among women in the region.

The region has taken action to address low levels of financial inclusion through a set of initiatives summarized in Exhibit 14.

### Legal protection: When it comes to working women, policies work

A supportive legislative and regulatory environment is vital for helping women manage assets, open a bank account, enter certain professions, or start a business. For example, on average, women are required to spend 10 percent more time than men to register a business in the region.<sup>58</sup> Legal

frameworks can also drive workplace HR policies, which influence women's decisions around entering or exiting work and whether or not to pursue a career. Research shows that, when gender parity is reflected in law, female labor force participation increased by at least five percentage points in the following five years.<sup>59</sup> However, if we analyze the legislative framework across a range of work-related and social issues, we find that there are several gaps in female legal protection across countries in the GCC and Levant (Exhibit 15). Legal protection across social-related themes remains low. Although some of the studied countries have significant room for improvement in their legislative protection of women, it is important

to note that Jordan, Saudi Arabia, and UAE are amongst the 10 countries which saw the greatest improvements in their legislation in 2019.<sup>60</sup>

Restrictions for expatriate workers is a challenge, especially in the UAE, where the expatriate framework focuses on full-time, employed roles. Although there are some part-time visas available for contracting, part-time, and flexible work—all of which typically pertain to women—these are perceived as 'not flexible enough' because, for example, they only apply within certain free zones and do not allow transfer between zones or to the mainland.

Addressing this is critical to bringing women (potentially via their spouse's sponsorship) into the workforce.

Updating legislation could also be used to address other issues; for example, pro-rata leave and benefits available for part-time work in the UAE could address current barriers to hiring by companies that currently bear the higher costs of providing full benefits.

<sup>55</sup> Funding for female founders stalled at 2.2% of VC dollars in 2018, Fortune, January 2019, fortune.com

<sup>56</sup> Expert interviews using GLG and AlphaSights networks

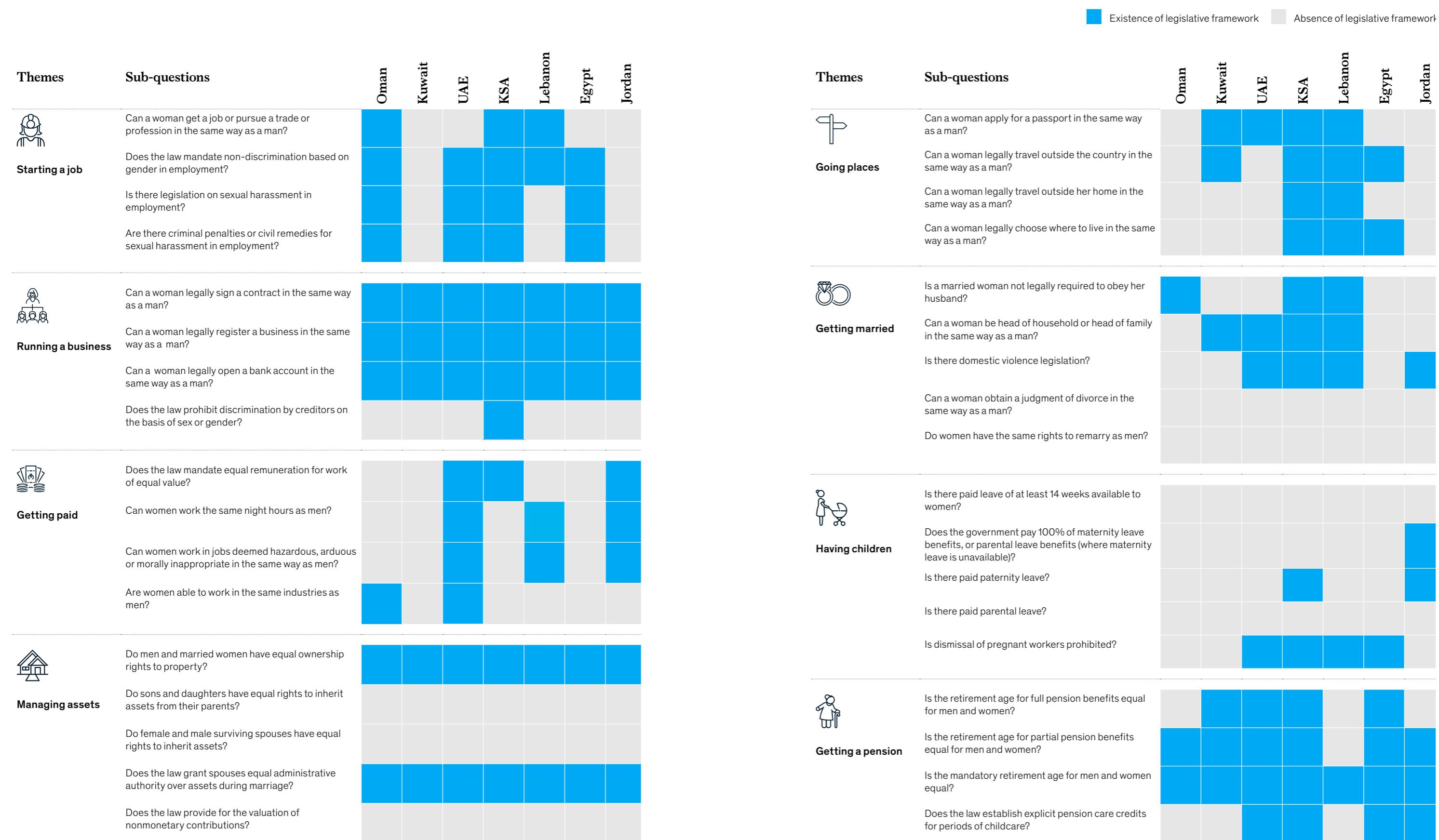
<sup>57</sup> Digital banking in the Gulf: Keeping pace with consumers in a fast-moving marketplace, McKinsey & Company, November 2016, mckinsey.com

<sup>58</sup> Indicator name: Time required to start a business, (days) World Bank, Doing Business project, 2019, doingbusiness.org

<sup>59</sup> Christian Gonzales et al., Fair play: More equal laws boost female labor force participation, February 2015, International Monetary Fund Staff Discussion Note, IMF, imf.org

<sup>60</sup> This indicator is based on the latest biennially Women, Business, and the Law index from the World Bank. This composite index explores how the economic decisions women make are affected by the law.

## There are clear gaps in countries' legislative framework across a raft of issues



Source: Women, Business and the Law database, 2020; McKinsey analysis



**“Tough legislation is the key reason for the lack of conversion of women into the job market, and governments are working very hard to find the right solutions.”**

CEO of Dubai-based institution for women empowerment

Some positive measures are emerging, though, with governments enacting significant top-down sponsorship across the region. The UAE established the Gender Balance Council in 2015 with the aim of achieving proper ministerial representation and has announced a vision to be in the top 25 countries for gender equality. The UAE also has longstanding legislation around right-to-pay equality. Outside of the workplace, Bahrain, Lebanon, the UAE, and Saudi Arabia have shown progress by introducing domestic violence laws.

However, achieving parity is not merely a question of regulation, proper oversight is required to ensure its implementation. Additionally, the private sector plays an important role in driving change; for example, global multinationals tend to apply parent-company policies, and, in the UAE, free zones embed antidiscrimination laws in their legislation.

**Ending gender-based inequalities**  
To achieve higher female employment rates in professional and technical jobs, reskilling and training is key. Raising women's skills and competencies improves performance as well as prepares them to adapt to emerging jobs in light of the Fourth Industrial

Revolution. Similarly, if the current challenge is to create quality jobs for unemployed or under-employed college-educated women, then investing in financial access and literacy will also provide much needed impetus. Additionally, reviewing and reforming laws, regulations and institutions with the aim of levelling the playing field, is needed to provide a holistic approach to increasing parity.

Government, industry and NGO leaders, will all need to play a role in supporting job transitions for women, by helping to invest in digital platforms, increasing transparency on labor demand trends, and creating pathways for women in STEM.

Failing to take action ahead of the Fourth Industrial Revolution could worsen the gender wage gap, and have serious ramifications for the long-term.

Beyond the statistical measures and the above-mentioned factors, we observe that cultural components and self-drive play a substantial role; these are explained by general culture, role modelling and individual grit, and personal drive. The importance of these factors is assessed in our next chapter.

# 03 The ‘leaking pipeline’ and the influence of culture and grit



# The ‘leaking pipeline’ and the influence of culture and grit

The key to empowering women in the Middle East is not only to equip them with access to jobs but also to ensure they have the right support, experience, and opportunities once they are working. Our global research shows that women are looking for a significant improvement in their experience at work even in the most developed countries.<sup>61</sup> This is especially true when it comes to career advancement opportunities, support through mentorship and sponsorship, access to networks, and encounters with microaggressions<sup>62</sup> in the workplace.

Women face the highest level of challenges in the workplace when they first join, and these challenges continue throughout their professional journeys. The female conversion to the job market—the ‘leaking pipeline’ phenomenon is still low. Tailoring support to women’s needs at different stages in their career is critical to retaining women in the workforce.

Although both women and men in entry level positions feel under-supported in the workplace, women reported the lowest satisfaction. This translates into a downward spiral which is only reversed as women make it to senior positions, if they manage to remain in the job pipeline.

To better understand the leaking pipeline, and regional trends, McKinsey launched a survey in April 2019 across Egypt, KSA and the UAE.<sup>63</sup> Our research examines the role and importance of the culture and grit on the decision

women make within the workplace, and its role in combatting the leaking pipeline phenomenon. It is important to note that these perceptions are inevitably subjective, highlighting trends rather than absolutes.

## Grit is paramount

Women’s grit is characterized by the ability to maneuver obstacles experienced in the workplace by self-driving themselves to achieve their ambitions. This often translates to having high resilience in the face of uncertainty amid the biases of a general lack of support. Developing this grit can be a self-driven solution for increasing parity in the workplace. We investigate some common responses received by women at different levels in the workforce to understand the role grit plays in helping women succeed.

## Cultural and social pressures

Across the studied countries, all entry-level employees (36 percent) report low levels of support from their colleagues and peers when making personal choices. Notably, however, 40 percent of management-level women report being least supported by their colleagues. The good news is that the rate decreases remarkably at the senior level, where only 22 percent of women report that they are never or rarely supported by their colleagues and peers when making personal choices. This can be addressed by organizations providing coaching for younger male

**“You cannot be what you cannot see... and this is the sad truth about the women in this region.”**

Regional Strategic Advisor

and female employees, while also sensitizing both male and female colleagues on the double-burden syndrome that mid-career women face. The success of women is significantly influenced by both work culture and the work environment.

## Unsupportive work environment

In general, both women and men at entry level feel less supported compared to their more senior colleagues. However, at early stages in their career, most women report even lower satisfaction with their experience at work compared to their male peers.

Women’s success is correlated with the quality of the support structures around them and the availability of role models to inspire them. Frequency of interaction with senior leadership is a good indicator of status within an organization. Across all countries surveyed, entry-level female employees tend to interact less with senior leaders.

At entry level, many women report that they seldomly or almost never interact with senior leaders—25 percent versus 17 percent of entry-level men. This is most pronounced in KSA where 45 percent of entry-level women rarely interact with senior-level employees versus only 19 percent of their male counterparts, according to our survey.

A recent study attributes this to women’s lifestyles typically being more constrained than those of their male peers; from early on, women frequently miss out on networking opportunities that enable them to build professional contacts.<sup>64</sup>

Women’s perceptions around workplace flexibility steadily improve as their careers progress. This issue is one of the main reasons why women leave the labor market. For instance, lack of access to childcare may make it difficult for younger women in the region to work after becoming mothers, given that they typically play the primary role in raising children and caring for elderly relatives.

Clear policy changes and targeted upgrades to the working environment can significantly improve the experience of women at work. For example, providing child care, work-from-home arrangements, and flexible hours can all contribute to helping women balance their family and professional lives.

<sup>61</sup> Women in the workplace 2018, McKinsey & Company and Leanin.Org, October 2018, mckinsey.com

<sup>62</sup> Microaggression refers to brief but commonplace verbal, behavioral, or environmental indignities (whether intentional or unintentional) that communicate hostile, derogatory, or negative prejudicial slights toward any group.

<sup>63</sup> Conducted using the computer-assisted personal interviewing (CAPI) technique, the survey targeted 644 individuals (50 percent male and 50 percent female), including both current employees and individuals who exited the labor market up to two years previously. The surveyed individuals comprised a statistically significant sample (with a 95 percent confidence interval and 5 percent margin of error) representative of a cross-section of industries, work levels, and income segments.

<sup>64</sup> Brian Uzzi, Research: Men and women need different kinds of networks to succeed, 25 February 2019, Harvard Business Review.



## Women make up only 6.8–10 percent of senior managers across Egypt, KSA, and the UAE.

### Unconscious bias and microaggressions

The survey also showed that women face unconscious bias or microaggressions—also understood as negative prejudicial slights—at every stage in their career, including at senior levels. However, the nature of microaggressions changes as women's careers progress: 25 percent of entry-level women and 31 percent at management level report that the main microaggression they face at work is needing to provide more evidence of their competence than others. By contrast, 64 percent of senior-level women report having their judgment questioned in their area of expertise as the main issue versus 14 percent only for senior-level men. Written in collaboration with LeanIn.org, McKinsey's 2018 Women in the Workplace report looks at microaggressions experienced in the workplace by men and women, highlighting significant biases that must be addressed.

### Culture and the environment

#### Interactions with senior leaders and self-selection

As women and men progress through the work funnel, the quality of their experience at work improves significantly. For instance, women at senior levels interact with senior leaders as frequently as men: 87 percent of women at management level and 91 percent of female senior managers report that they sometimes or almost always interact with senior leaders in their organization. One explanation is that this is driven by a 'self-selection' phenomenon whereby women who have made it to leadership are more aligned with the organizational culture. Once they are in more senior roles, they have learned coping strategies, built a support system, and found a stable group of strong sponsors, role models, and mentors. Nevertheless, we should note that, despite comparable levels of satisfaction between genders at this level, women's overall representation at senior levels remains extremely low—women make up only 6.8–10 percent of senior managers across Egypt, KSA, and the UAE.

Exhibit 16

#### Workplace flexibility increases steadily as women progress

%, reported by people surveyed

	Entry level	Mid-level	Senior level			
	women	men	women	men	women	men
Level of interaction with senior leaders – Seldomly or almost never	25%	17%	13%	9%	9%	6%
Effort recognised at work – Sometimes to almost always	82%	77%	95%	89%	98%	94%
Presence of role models	57%	54%	71%	63%	71%	61%
Low level of support from colleagues in making personal choices	36%	36%	40%	30%	22%	23%

Note: Total number of people surveyed (in Egypt, UAE and KSA): 644  
Entry level women=104, Entry level men = 109, Mid level women = 109, Mid level men = 107, Senior level women = 109, Senior level men = 106  
Source: McKinsey analysis

# Across the region, younger women tend to have fewer role models to look up to.

## Availability of role models

In KSA, entry-level women tend to have fewer role models to look up to compared with their male peers—55 percent of entry-level women say they lack a role model versus 50 percent of males. Across the region, younger women tend to have fewer role models to look up to: 57 percent of entry-level women versus 71 percent of women at management and senior management levels. Increased efforts by leaders to act as role models in a relatable way for younger female employees will help address this situation and encourage entry-level women to join and remain in the workforce. Increasing the presence of women in the workplace will have a natural increase in the presence of senior role models.

However, female employees' perceptions change to be more satisfied than male colleagues as their careers progress. But how do women's experiences evolve as they progress? Surprisingly, as employees continue their professional journey, we observe that perceptions among female and male workers switch dramatically, with senior-level women reporting on average higher levels of satisfaction relative to men across several dimensions.

This brings us to an interesting insight on self-selection: as women's careers progress, their perception of experiences in the workplace evolves and tends to shift as they gain seniority. Our study shows that seniority of experience impacts quality of experience at work. Not

only are senior women more positive than women just starting out but, surprisingly, women at senior management levels report feeling better off or comparable to their male counterparts across several dimensions: interaction with senior leaders; efforts being recognized at work; access to role models; and support from teams and colleagues in making personal choices (Exhibit 16). Almost inevitably, a higher share of female senior managers (67 percent) report that they are the only representative of their gender in the workplace, while only 21 percent report feeling included. This shift in experience can be an indication of women at senior management levels possessing 'grit'.

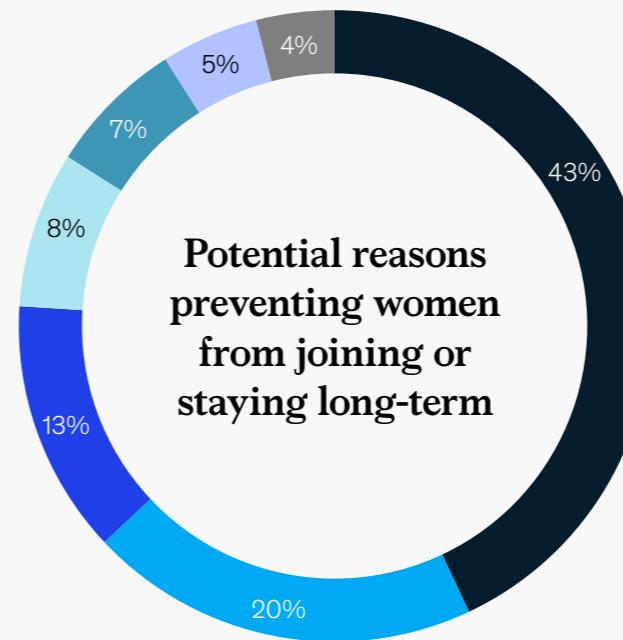
## How women will thrive at work

From our survey, we have identified policy approaches and specific enhancements that can help decision makers improve the working environment for women. Forty-four percent of surveyed women across all occupations and seniority level state that there is still room for improvement around policies designed to boost diversity. Most notably barriers around starting a job or remaining at work: limited policies to support work-life balance such as flexible hours and free weekends; limited or no availability of mentors and sponsors; and a lack of clarity around their career path or opportunities for advancement (Exhibit 17).

Exhibit 17

## Strengthening policies can further boost diversity

# 44%



of women surveyed state that there is still room for improvement around policies designed to boost diversity

**Total women surveyed:** 322

- Limited policies on work-life balance
- Limited or no mentors/sponsors
- Lack of clarity on advancement opportunities
- Familial/societal pressures
- Incompatible culture
- Inability to commute
- Lack of infrastructure/essential services at work

"Transportation facilities are not available to the workplace."

**Female, 45-54 years**

"Salaries are very low when compared with the working hours."

**Female, 35-44 years**

"The more difficult aspect of my work is lacking appreciation and recognition for my efforts which tends to make ambition vanish."

**Female, 25-34 years**

"More flexibility in working hours."

**Female, 25-34 years**

"Establishing a nursery for the female employees' children in the company or a place to take care of their children."

**Female, 35-44 years**

"That work can't be done, even partially, from home via the Internet."

**Female, 25-34 years**

## Top 3 policies preferred by all women surveyed:

**1.** Ability to work online (no physical office interactions required)

**2.** Opportunity to train in digital skills, e.g. web design

**3.** Opportunity to train in another technical/vocational skills

Source: McKinsey analysis

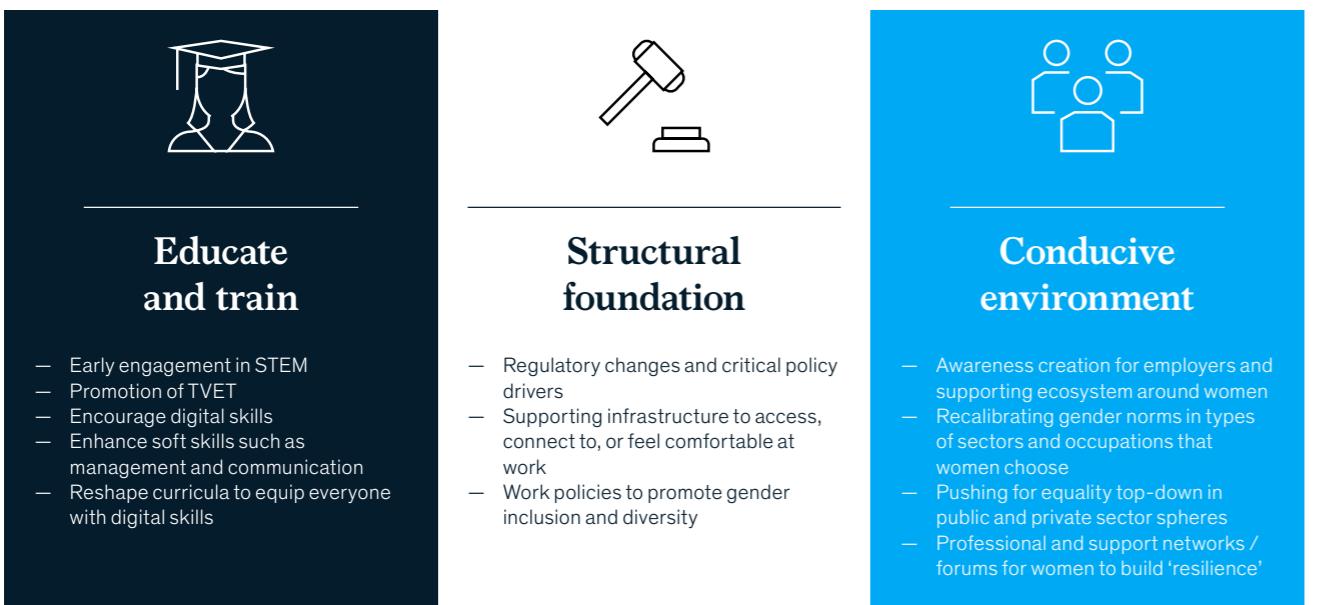
# 04 Making the changes together



# Making the changes together

Exhibit 18

## Three pillars for increasing women's labor force participation



Source: McKinsey analysis

To enable the benefits outlined in this report and sustain them over time, multiple stakeholders—both in the workplace and society—need to participate.

Priority areas include educational and digital inclusion, structural changes to drive regulatory changes, and a continuous effort to increase awareness on the cultural change required for women individually and society as a whole.

To accelerate the path to gender parity, we have identified three targeted interventions (Exhibit 18): educate and train; fix the structural foundation; and create a conducive environment. Together they form a strong foundation that helps women make a greater contribution to the Middle East economy and society. However, women are fundamentally the owner of these interventions and must be empowered to feel worthy of these opportunities and worthy of success.

### Educate and train

#### Engage girls early on in STEM subjects

As the demand for STEM-related skills rises, encouraging girls to study STEM subjects will provide a larger and more diversified talent pool for employers, increase female involvement in high-productivity jobs, and provide role models to inspire future generations of women.

#### Use gender mainstreaming in early-years education

This will help tackle, at a young age, gender stereotyping (among both girls and boys), which discourages young women from pursuing education and careers in technology and other high-value occupations.

#### Promote TVET

Technical and vocational education and training is an indispensable component of creating jobs for women and helps to fuel the diversification of economies away from oil—especially in the GCC.

TVET systems in the region can be revitalized with programs developed to focus on women, and by promoting TVET as a credible alternative to university.

### Encourage digital skills

To bridge the large gender gap in relation to digital inclusion and skills, schools can work to ensure girls are active in the digital space from a young age by developing their digital skills, as with the One Million Arab Coders initiative developed in the UAE. In parallel, vocational training can provide women in the workforce with the tech skills to help keep them up-to-date and qualify them for new digital roles. Encouraging digital skills also enables women to participate in work via online platforms, helping to overcome cultural, familial, and infrastructural challenges.

### Provide on-the-job training for soft and other relevant skills

As workplaces undergo a major transformation, upskilling the workforce is a priority—in both the public and private sectors. This can potentially be achieved via online courses alongside more traditional methods. In the UAE, the Gender Balance Council is helping to equip women for the future of work with short, targeted courses on subjects such as disruption and innovation.

### Reshape curricula to equip everyone with digital skills

Review the curriculum for all the different types of degrees (including arts, education, social studies) to ensure that everyone is equipped with the basic digital skills to remain relevant in the Fourth Industrial Revolution.

### Fix the structural foundation

#### Enact positive regulatory changes

Decision makers could consider structural changes to achieve progress as the job market evolves in the region. For example, the private sector should be encouraged to act in line with public sector on driving female representation

in professional and technical jobs. Anti-discrimination regulation focusing on areas such as preventing sexual harassment, discrimination by lenders on the basis of gender, equal remuneration for work of equal value, and parental leave would accelerate progress towards parity. Additionally, creating the right environment to facilitate women's access—e.g., the right to drive in KSA, longer maternity for multiple pregnancy, and visas for freelancers—would drive sustainability. Accountability and compliance are important to create conditions for positive regulatory changes.

### Provide supporting infrastructure

Employers can act to create more female-friendly work environments by ensuring basic facilities are in place. At a basic level, establishing female bathrooms and prayer rooms ensures women can conduct business at the same level as men. Further support, such as publicly-funded child care facilities, can help relieve women of their parental pressure which can hinder their ability to maintain a demanding job.

### Develop policies that actively promote gender diversity and inclusion

Employers can consider setting gender targets, recruiting more women, and ensuring there is organizational support for women to progress. Organizations can communicate their inclusion policies when recruiting, provide flexible and remote work opportunities without this jeopardizing women's careers, and create a structured sponsorship program for every woman in the organization. At the same time, organizations can explore different ideas to facilitate women entering the workforce including support for elder care, child care, job sharing, and flexible working policies.

# What can we do?



**Government/  
Policy Maker**



**Organization  
Chief Executive**

## Education and training

- Introduce legislation/resolutions to promote essential skills for girls (K-12) mainly in the following areas:
  - STEM in early childhood education
  - Basic digital skills from Microsoft suite to advanced coding and robotics
  - Soft skills trainings (presentation, leadership, and presence-related skills)
  - Establish mandatory gender-sensitive teacher training to tackle stereotyping in schools
  - Accredit TVET institutions at the same level as universities and introduce relevant courses for women in the health, arts, and social sectors, for example.
  - Introduce government-funded scholarships for distinctive females from all social and economic backgrounds, especially in fields related to STEM.
- Organize and sponsor case competitions in primary, high school, or universities in STEM and digital.
- Partner with TVET institutions and universities to provide internships and job opportunities for female students and new graduates.
- Commit to develop tailored learning opportunities for female employees—either online or in person—to help them, especially at the entry level, to improve their soft skills (negotiation, communication, managerial, leadership) together with digital and financial skills.

## Promote structural change

- Establish equal opportunity commissions or regulatory bodies that set expectations, lobby for policies, monitor performance and compliance, and enforce new laws around female participation in the workforce.
- Build the most critical infrastructure to enable women to access work: for example, remote work facilities, subsidized rent for private-sector companies to set up offices in remote areas, and female-friendly public transportation systems
- Provide subsidized or free childcare and elderly care for female employees with families.
- Pass resolutions that allow for alternative working arrangements in the public and private sector, including flexible working and part-time work.
- Implement internal policies to further raise the bar set by the regulatory framework: for example, internal processes to manage against gender discrimination such as mandatory unconscious bias training for reviewers and managers, and clear mechanisms for reporting discrimination and harassment.
- Establish targets for hiring women at all levels while maintaining recruitment based on merit.
- Provide the most important facilities as highlighted by women, across all applicable locations: for example, female bathrooms and maternity rooms.

## Build a conducive environment

- Set up a comprehensive communications campaign across multiple channels (digital and print), including female role models and social influencers, to eliminate negative perceptions around working women.
- Organize careers fairs to engage young women with role models in the public and private sector.
- Create awareness around female-friendly work environments to encourage families to enable young women to apply for jobs: for example, via initiatives such as “Bring a parent to work day.”
- Set up round tables with key stakeholders across the academic, public, and private sectors to drive policies to close the gender gap.
- Implement internal policies to further raise the bar set by the regulatory framework: for example, internal processes to manage against gender discrimination such as mandatory unconscious bias training for reviewers and managers, and clear mechanisms for reporting discrimination and harassment.
- Establish targets for hiring women at all levels while maintaining recruitment based on merit.
- Establish professional support networks or partner with existing ones such as Reach and Elevate to help women connect with role models, mentors, and other female leaders in their region.

## Create a conducive environment

### Promote partnerships between the private, public, and third sectors

This will help create greater alignment with the right opportunities for women, depending on their experience and stage in life. For example, the types of opportunities explored by new female college graduates may be very different to those considered by women returning from maternity leave. In the UAE, the Dubai Women's Establishment works with the financial markets to identify when board positions open in listed companies, and then connects eligible women in the region based on their relevant experience.

### Tackle negative perceptions of women in society

This is an important component of a multipronged strategy to address barriers to female representation in professional and technical jobs, including addressing the double-burden syndrome and negative perceptions around women working. This could include national and international forums to inspire young girls, and increased publicity around women at the top, such as those in ministerial positions. There is a further need to create awareness around female-friendly work environments to encourage families to enable young women to apply for jobs: for example, via initiatives such as ‘Bring a Parent to Work Day’.

### Break gender norms and deep-rooted biases

Gender norms begin to break down when girls and young women take on more traditionally male activities such as studying technology or pursuing self-employment and entrepreneurship. Tackling biases that limit women’s opportunity in the school and family setting early on is important to changing the game for women.

### Consider top-down directives for female inclusion

Commitment from public- and private-sector leaders can be a catalyst for change. Beyond macro-level economic and organizational commitments such

as possible quotas and establishing official agencies to drive equal opportunities, policymakers and employers can consider a broader global positioning the Middle East as a talent pool (instead of an importer of talent). For example, they can encourage online platforms to promote hiring freelancers from within the region or ask local clients to prioritize hiring local self-employed individuals.

### Develop support networks, forums, and events

Women are in the position to work together to grow and foster support collectively. Women-focused events can advance the diversity agenda and support women at work; for example, career fairs to engage young women with role models in the public and private sector, and roundtables with key stakeholders across the academic, public, and private sectors to drive policies to close the gender gap. A sustained dialogue is important in driving long-term change.

## Empower and act

### Owning their personal journey

Individually, women are in the position to take ownership and proactively drive the change they wish to see. As we have seen from previous chapters, women with successful careers have put themselves forward for growth opportunities by learning to better promote their capabilities. Women should also take the onus to build further credibility via training programs designed to enhance capabilities (particularly in STEM and other areas set to be in high demand); upgrade soft skills and emotional intelligence; communicate new skill-sets with confidence and enthusiasm; and adopt a life-long learning approach to updating skills.

Together, women can build their personal networks by taking advantage of formal and informal opportunities for networking, while proactively seeking mentors, sponsors, and referrals. In particular, women at senior levels can consider sharing their experiences and stepping up to act as mentors for female colleagues.



#### **Self-empowerment and grit**

Women shouldn't rely on external factors changing, but also empower themselves internally through grit and resilience. Internal validation and being comfortable with who you are and the position you are in is an important component of self-empowerment. Focusing on internal factors that are within their control contributes towards creating gender parity. This involves having the confidence and self-value to speak up, and women owning their space and their voice.

#### **Confidence to act**

Self-reflection is an important means to understanding one's strengths. However, it is equally important to have the confidence to act upon this. Women need to reach a state of being confident enough to be proactive and push for opportunities that align with their strengths. It also involves having the self-awareness to understand what is keeping them from progressing in their career, and actively working towards changing those factors.

#### **Moving forward—women to win in the workforce of the future**

Women can be winners in the workforce of the future if stakeholders combine to equip them with the infrastructure, support, and skills they need to thrive in this new digital age. Opportunities for self-employment and entrepreneurship are also ripe, but requires the necessary mindset shifts to encourage more women to pursue these avenues of employment. Ultimately, women must also take a leap and push their own boundaries to maximize either current opportunities or explore new ones.

# Acknowledgement

This research was led by Senior Partner Rima Assi and Partner Chiara Marcati, both based in McKinsey's Middle East office.

The team was led by Sabine El Najjar and included Tasneem Dargahwala, Kanza Azeemi, Molka Abassi, Amy Calitz, Aarati Ajay, Suzanne Sebiane, and Donna van der Merwe.

The authors are particularly grateful to the senior executives and academic

researchers who generously offered valuable perspectives and insights to the report, namely: Alain Bejjani, Lucy Chow, Nicola Ehlermann, Ahmed El Alfi, Dina El Mofty, Farah Foustok, Dr. Ashraf Gamaleldine, Rana Nawas, Manuela Tomei, H.E. Shamsa Saleh, Former Minister Violette Khairallah Safadi, Sarah Al-Suhaimi as well as law firms Al Tamimi & Company, Baker & McKenzie, Clyde & Co and DWF Middle East LLP.

## Meet the authors



**Rima Assi**  
Senior Partner,  
McKinsey & Company



**Chiara Marcati**  
Partner,  
McKinsey & Company