

Women, Business and the Law Report: Saudi Arabia, among the most transformed economies globally

The *Women, Business, and the Law* is a World Bank initiative that focuses on collecting data on legislation that limit women's access to employment and entrepreneurial activity. The latest report, published in 2020, highlights the top performing economies in the period between 2017 and 2019. Saudi Arabia demonstrated dramatic improvements towards equality of opportunity placing it at the top of the most improving economies globally. This report summarizes the novel reforms the Kingdom has enacted to expand women's rights and increase their economic opportunities. It also benchmarks the Kingdom's performance with other Middle East and North Africa (MENA) economies.

Saudi Arabia: A Remarkable Leap to Gender Equality

Saudi Arabia has been championing the cause of equal opportunity between men and women, particularly in the workforce, since the introduction of its Vision 2030 in 2016. The Kingdom has enhanced women's economic inclusion through implementing a bold and gender-responsive legislative framework. Between 2017 and 2019, Saudi Arabia has enacted a set of novel policy reforms towards equality of opportunity in six out of eight indicators measured by the *Women, Business, and the Law* report. According to the latest WBL report in 2020, the reforms adopted helped the Kingdom obtain a total score of 70.6 out of 100, up from 31.9 points in 2017 – a substantial difference of 38.8 points. In that period, the Kingdom displayed remarkable progress particularly in the *Mobility* indicator. In retrospect, Saudi Arabia had performed relatively well in the *Entrepreneurship* indicator prior to 2017, allowing women equal rights to open a bank account, register a business, and sign contracts (1).

Since 2017, the Council of Ministers amended and ratified several civil and labor laws that protect women's rights and reduce barriers to women's economic participation (Table 1) (2). Most notably, discriminatory laws against a women's agency to move freely were lifted. In 2017, Saudi women were granted the right to drive. Further, in 2019, women were granted the right to obtain a passport and travel abroad, on equal footing with men, allowing women unprecedented mobility. Reforms also enabled

women to register as head of the household and to claim their own place of domicile, instead of the husband's or legal guardian's home being the default residence (1). Additionally, the Kingdom lifted rulings imposed on the wife to forcefully return to her marital home (3). In 2019, Saudi Arabia put forth legal amendments that enhance women's opportunities in the workplace through eliminating discrimination in hiring, criminalizing sexual harassment, and prohibiting the dismissal of women during pregnancy and after birth. Additionally new regulations have also uniformed the retirement age between genders, extending women's working lives, earnings, and contributions (1,2). To further promote and encourage female entrepreneurship, Saudi Arabia has prohibited gender-based discrimination in accessing financial services, facilitating women's access to credit. These reforms demonstrate the Kingdom's commitment to strengthen the inclusion of women not only in the business environment, but also in the general society.

Table 1. Saudi Arabia Enacts Reforms in Six out of Eight WBL Indicators

Indicator	Score out of 100	Reforms Enacted	Example of Reforms
Mobility	100	✓	<ul style="list-style-type: none"> • Lifting laws restricting women from obtaining a passport and traveling abroad. • Granting women, the right to drive.
Workplace	100	✓	<ul style="list-style-type: none"> • Criminalizing sexual harassment in the workplace. • Prohibiting gender discrimination in employment.
Pay	25		
Marriage	60	✓	<ul style="list-style-type: none"> • Allowing women to register as the head of the household • Allowing women to claim their own place of residence. • Prohibiting the dismissal of women during pregnancy and after birth.
Parenthood	40	✓	
Entrepreneurship	100	✓	<ul style="list-style-type: none"> • Prohibiting gender-discrimination in accessing financial services.
Assets	40		
Pension	100	✓	<ul style="list-style-type: none"> • Equalizing the retirement age between men and women at (60 years) of age.

Source: Women, Business and the Law database

Saudi Arabia's Performance Compared to Countries in the Middle East and North Africa

For over a decade, Saudi Arabia has exhibited gradual improvement towards gender equality. However, in 2019, it has displayed a significant spike in performance allowing it to surpass Middle East and North African economies (Figure 1). Additionally, this rate of improvement placed Saudi Arabia among the top ten most improved economies in the world, third among Middle East and North Africa (MENA) economies, and first among its neighboring Gulf Cooperation Council (GCC) (Figure 2) (1).

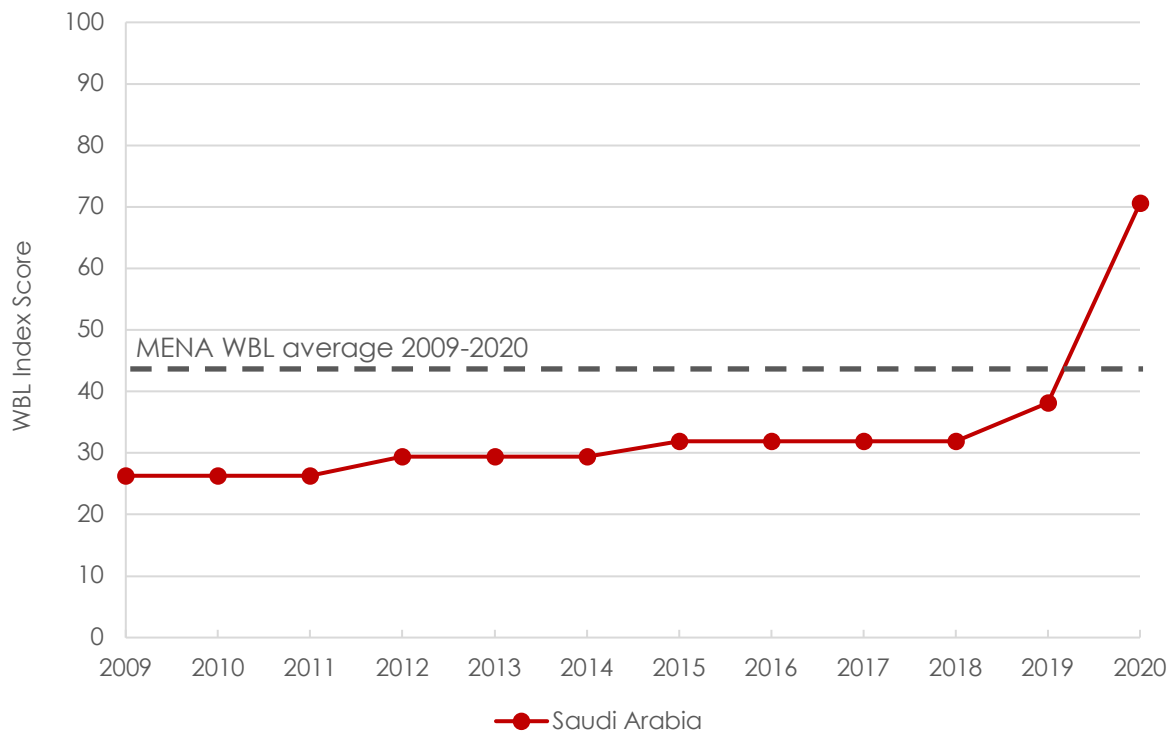


Figure 1: Saudi Arabia's Progress Since the Inception of the WBL Database
Source: Women, Business and the Law Database

The rate of progress towards legal gender parity differed substantially between MENA economies (Figure 3). Most of the policies implemented by MENA economies were aimed at enabling women's choices to enter the labor market, particularly criminalizing sexual harassment in employment, and reducing constraints related to marriage (Table 2). Additionally, the recent legislative measures enacted in Saudi Arabia on both *Entrepreneurship* and *Pension* allowed it to follow other MENA economies that had already passed laws on either of these indicators. On the other hand, none of the MENA countries introduced policies to address gender differences in the *Assets* indicator which relates to property and inheritance laws (1).

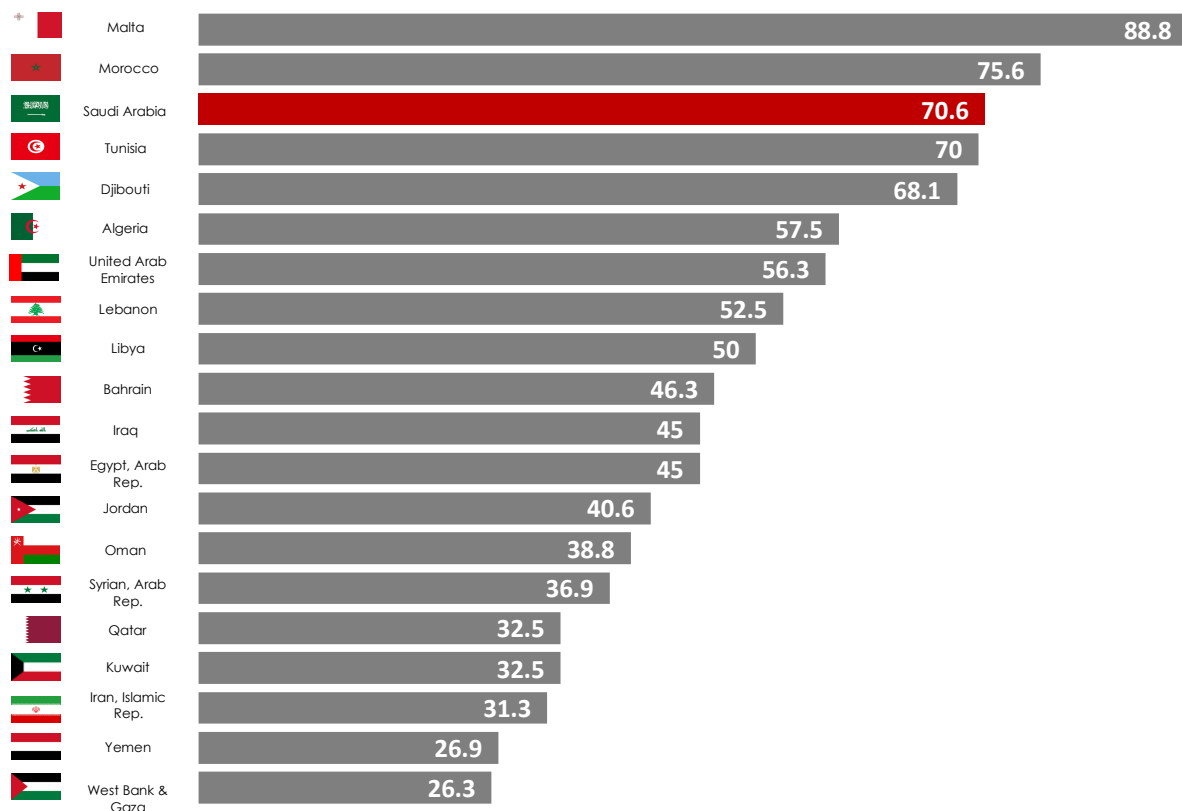


Figure 2: Middle East and North Africa (MENA) WBL Scores, for the year (2020)
Source: Women, Business and the Law Database

Table 2. Most Transformed Economies in MENA 2017-2019

Economy	WBL 2020 Score	Change in Score	Mobility	Workplace	Pay	Marriage	Parenthood	Entrepreneurship	Assets	Pension
Saudi Arabia	70.6	38.8	X	X		X	X	X		X
UAE	56.3	29.4	X	X	X	X	X			
Bahrain	46.3	8.8		X		X				
Djibouti	68.1	8.8		X		X				
Jordan	40.6	8.8			X		X			
Tunisia	70.0	8.8		X		X				
Morocco	75.6	2.5				X				
Total Reforms Implemented			2	5	2	6	3	1	0	1

Source: Women, Business and the Law database

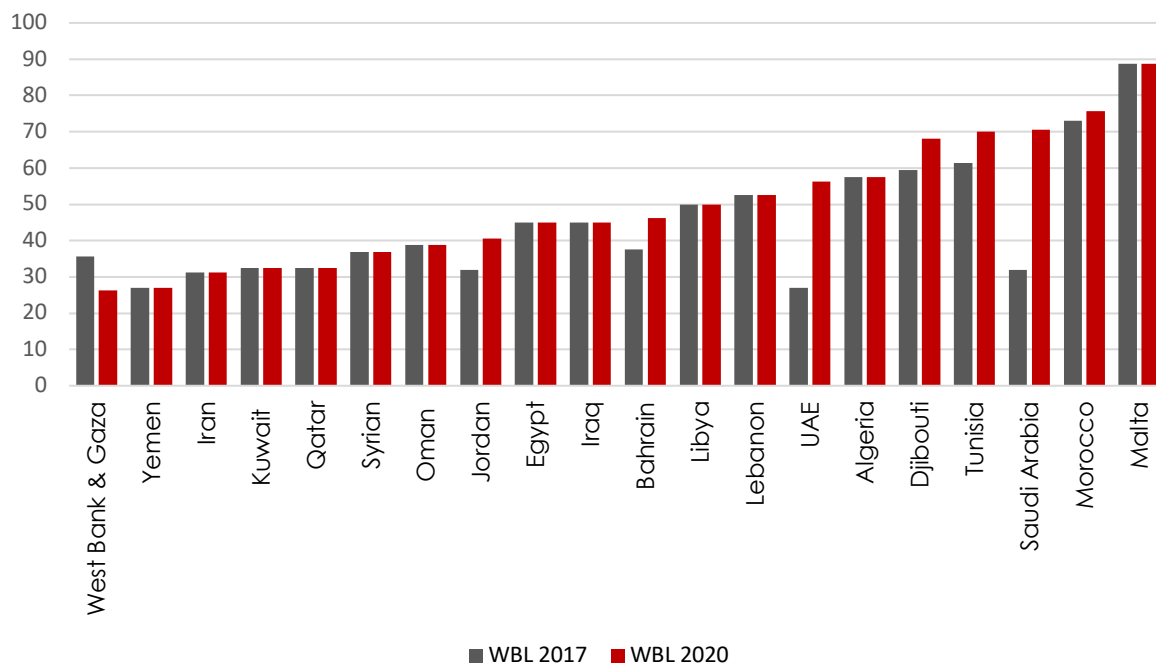


Figure 3: Middle East and North Africa (MENA) WBL Scores, for the years (2017-2020)

Source: Women, Business and the Law Database

Conclusion:

Since the inception of its Vision 2030, Saudi Arabia has embarked on remarkable efforts to reduce legal impediments limiting women's inclusion and participation in the labor market. In the past two years, the Kingdom has introduced dramatic policies narrowing the legal gender gap in six out of eight indicators measured by the *Women, Business, and the Law* database – most notably under the *Mobility* indicator. These reforms have been a stepping-stone in transforming women's lives in the Kingdom. Its new global stature bears witness to its leadership's determination to broaden opportunities for its citizens, especially women. However, more room for improvement remain in *Pay, Assets, Marriage, and Parenthood* indicators, which if addressed, could further enhance women's rights and their economic inclusion.

About Women, Business, and the Law Report:

Gaps in legal gender parity continue to exist globally with many laws restricting women's prospects to join the workforce and escape poverty (4,5). In light of this, the *Women, Business, and the Law Report* (WBL) was established to address and analyze gender discrimination in legal treatment — which poses as one of the most important and pervasive forms of differentiation that hinders women's economic opportunities (4,6).

Since its inception in 2009, the WBL dataset has been primarily focusing on legislation that limits women's access to employment and entrepreneurial activity. In a series of six editions covering up to 190 economies, the WBL data highlights not only the unequal legislations hindering women's economic participation but also the legal reforms governments enacted to enhance gender equality of opportunity. The publication of the data was biennial at the outset; however, since the 2018 issue, the WBL project has been published annually (1).

The WBL's unique dataset was collected through rigorous collaboration of experts from the World Bank with local experts — lawyers, judges, public officials, and civil society representatives — in each of the economies covered. Additionally, data from

the World Bank's *Doing Business* surveys were used to inform some WBL domains. To identify and analyze legal gender inequalities, the large volume of data consisting of thirty-five individual legislative matters was then consolidated into the following 8 indicators:

- *Mobility* examines women's agency and constraints on freedom of movement,
- *Workplace* analyzes laws and regulations limiting women's choices to enter the workforce,
- *Pay* assesses laws influencing the gender wage gap, *Marriage* assesses legal impediments associated with marriage,
- *Parenthood* examines legislations that impact women's employment during pregnancy and after birth,
- *Entrepreneurship* measures legal constraints on women starting and running a business,
- *Assets* considers gender differences in property and inheritance law, and
- *Pension* analyzes laws influencing women's pensions.

These indicators were structured to reflect the life cycle of a woman's interaction with the law throughout the different stages of her career (1,4).

The WBL database presents a comprehensive snapshot of the relative nature, progression, and effect of legal gender differentiation. It improves global data on legislations impacting women's economic opportunities as entrepreneurs and employees in the labor market while allowing for wider comparisons. It also offers clear metrics for evaluating where reforms have occurred that may assist in measuring global advancement toward gender legal parity. More importantly, the dataset facilitates research, informs dialogue and supports policy discussions about how women's economic activity is affected by the legal environment (1,6,7).

Appendix:

Table A.1. WBL Indicators (Saudi Arabia)			
Mobility			
1.	Can a woman choose where to live in the same way as a man?	Yes	Civil Status Law, Art.30
2.	Can a woman travel outside her home in the same way as a man?	Yes	No restrictions could be located
3.	Can a woman apply for a passport in the same way as a man?	Yes	Travel Document Law, Arts.2-4; Passport application procedures
4.	Can a woman travel outside the country in the same way as a man?	Yes	Travel Document Law, Arts. 4; Updated Procedures for Obtaining a Travel Permit
Workplace			
1.	Can a woman get a job in the same way as a man?	Yes	Guidelines for Employing Women in the Private Sector, Art.1/1 (3)
2.	Does the law prohibit discrimination in employment based on gender?	Yes	Labor code, Art. 3
3.	Is there legislation on sexual harassment in employment?	Yes	Anti-Harassment Crime Law, Arts. 1, 5 and 6
4.	Are there criminal penalties or civil remedies for sexual harassment in employment?	Yes	
	• Criminal penalties	Yes	Anti-Harassment Crime Law, Arts. 1, 5 and 6
	• Civil remedies	No	No applicable provisions could be located
Pay			
1.	Does the law mandate equal remuneration for work of equal value?	Yes	Ministerial Order No. 2370/1 of 18 September 2010
2.	Can women work the same night hours as men?	No	Labor Law, Art. 150; Ministerial Decree No. 215739 of August 7 th , 2019, Art. 3
3.	Can women work in jobs deemed dangerous in the same way as men?	No	
	• Jobs deemed hazardous	No	Labor Law, Art. 149
	• Jobs deemed arduous	-	No restrictions could be located
	• Jobs deemed morally inappropriate	-	No restrictions could be located
4.	Are women able to work in the same industries as men?	No	
	• Mining	No	Labor Law, Art. 149; Ministerial Decree No. 1/2834 of 2/10/2006, Art. 1
	• Construction	Yes	No restrictions could be located
	• Factories	Yes	No restrictions could be located
	• Agriculture	Yes	No restrictions could be located
	• Energy	No	Labor Law, Art. 149; Ministerial Decree No. 1/2834 of 2/10/2006, Art. 1
	• Water	No	Labor Law, Art. 149; Ministerial Decree No. 1/2834 of 2/10/2006, Art. 1
	• Transportation	Yes	No restrictions could be located
	• Other	Yes	No restrictions could be located
Marriage			
1.	Is there no legal provision that requires a married woman to obey her husband?	Yes	No applicable provisions could be located
2.	Can a woman be head of household in the same way as a man?	Yes	Civil Status Law, Art.91
3.	Is there legislation specifically addressing domestic violence?	Yes	Law on the Protection from Haram, Art. 1
4.	Can a woman obtain a judgement of divorce in the same way as a man?	No	Basic Law of Governance, Arts. 7 and 23
5.	Does a woman have the same rights to remarry as a man?	No	Basic Law of Governance, Arts. 7 and 23

Table A.1. WBL Indicators (Saudi Arabia)

Parenthood			
1.	Is paid leave of at least 14 weeks available to mothers?	No	
	• Length of paid maternity leave	70 days	Labor Law, Art. 151
2.	Does the government administer 100% of maternity leave benefits?	No	Labor Law, Art. 151
3.	Is there paid leave available to fathers?	Yes	
	• Length of paid paternity leave	3 days	Labor Law, Art. 113
4.	Is there paid parental leave?	No	
	• Shared days	N/A	No applicable provisions could be located
	• Days for the mother	N/A	No applicable provisions could be located
	• Days for the father	N/A	No applicable provisions could be located
5.	Is dismissal of pregnant workers prohibited?	Yes	Labor Law, Art. 155
Entrepreneurship			
1.	Does the law prohibit discrimination in access to credit based on gender?	Yes	Banking Consumer Protection Principles, 19.6; Finance Companies Consumer Protection Principles, 12.3
2.	Can a woman sign a contract in the same way as a man?	Yes	No restrictions could be located
3.	Can a woman register a business in the same way as a man?	Yes	No restrictions could be located
4.	Can a woman open a bank account in the same way as a man?	Yes	No restrictions could be located
Assets			
1.	Do men and women have equal ownership rights to immovable property?	Yes	Basic Law of Governance, Arts. 7 and 23
2.	Do sons and daughters have equal rights to inherit assets from their parents?	No	Basic Law of Governance, Arts. 7 and 23
3.	Do female and male surviving spouses have equal rights to inherit assets?	No	Basic Law of Governance, Arts. 7 and 23
4.	Does the law grant spouses equal administrative authority over assets during marriage?	Yes	Basic Law of Governance, Arts. 7 and 23
5.	Does the law provide for the valuation of nonmonetary contributions?	No	No applicable provisions could be located
Pension			
1.	Are the ages at which men and women can retire with full pension benefits equal?	Yes	
	• Age (women)	60 years	Labor Law, Art. 74 (4); Social Insurance Law Art. 38 (1)
	• Age (men)	60 years	Labor Law, Art. 74 (4); Social Insurance Law Art. 38 (1)
2.	Are the ages at which men and women can retire with partial pension benefits equal?	Yes	
	• Age (women)	N/A	No applicable provisions could be located
	• Age (men)	N/A	No applicable provisions could be located
3.	Are the mandatory retirement ages for men and women equal?	Yes	
	• Age (women)	60 years	Labor Law, Art. 74 (4); Social Insurance Law Art. 38 (1)
	• Age (men)	60 years	Labor Law, Art. 74 (4); Social Insurance Law Art. 38 (1)
4.	Are periods of absence due to childcare accounted for in pension benefits?	Yes	Implementation Regulations of the Registration and Contribution, Art. 21 (4); Labor Law, Art. 151

Source: Women, Business and the Law Report 2020

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