

ECONOMIC
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Inequality of Opportunity in MENA

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Introduction

- In global comparison, data shows that inequality is relatively low in the MENA region thanks to the mechanisms of social transfers and public employment (Page 2007; Ali 2009; World Bank 2016).
- Yet, inequality is perceived as a major factor in the uprisings of 2011 (Verme and others 2014).
- The World Bank calls this the ‘Arab inequality puzzle’ (Devarajan and Ianchovichina 2017; and World Bank 2015a, 2016).

Introduction

- If we factor in the expenditure of the richest decile, who are typically excluded from these surveys due to significantly smaller response rates, **Inequality may be much higher and rising** (ESCWA 2019; Alvaredo and Piketty 2014; and Alvaredo and others 2017).

Inequality in MENA

- Much has been written about the frustrations of **youth in employment** (Amin et al. 2012; Assaad 2014; Dhillon and Yousef 2009; Campante and Chor 2012)
- And about income inequality (Bibi and Nabli 2009; Belhaj Hassine 2015; Verme et al. 2014)
- Little is known about inequality of opportunity, which is central to the perception of fairness that often drives social movements (Belhaj Hassine 2011; Assaad, Hendy and Salehi-Isfahani 2019).

Inequality of Outcomes or Opportunity?

- Recently, most academic inequality analyses of the region have focused on inequality of opportunity.
- Societies seeking social and economic justice or equity in living standards should promote equality of opportunity by compensating inequalities arising from ‘circumstances’ beyond the control of the individual, while simultaneously letting individuals bear the consequences of actions or “efforts” for which they can be held responsible (Roemer, 1993, 1998; and Roemer and others, 2003).

Inequality of Opportunity in the Literature

- Wise choices, personal responsibility and efforts should be rewarded eventually regardless of the person's circumstances (Ersado 2012; Salehi-Isfahani 2017).
- People tend to reject differentiation and unequal treatment if it was based on features they do not control.
- Once differentiation based on uncontrolled characteristics- like gender, race, ethnicity, and family or community background- people become less tolerant and see it as **unfairness** and **injustice**.

IOp Literature in MENA

- Literature shows that inequality of opportunity in **income** in Tunisia, Egypt and Jordan is moderate compared to other countries namely Eastern European ones (Krafft, Assaad, Roemer and Salehi-Isfahani 2017).
- Circumstances explain a major part of inequalities in **child health** inequalities (Assaad et al., 2012; El-Kogali & Krafft, 2015; Ersado & Aran, 2014; Velez, Al-Shawarby, & El-Laithy, 2012).

IOp Literature in MENA

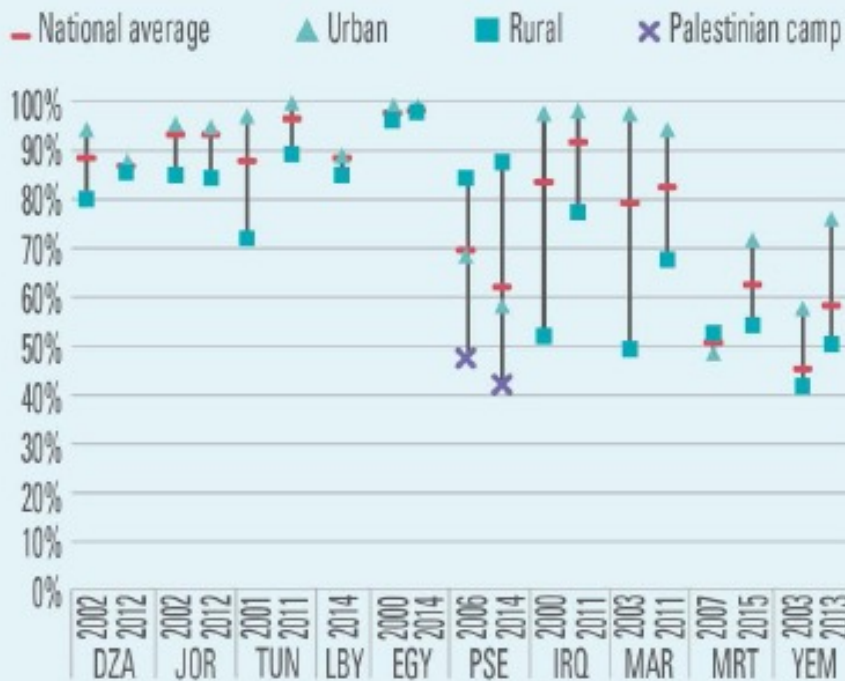
- The likelihood of **reaching higher education** in Egypt is far from equal and that free public education results in a regressive and unequal system (Assaad 2013).
- Assaad, Hendy and Salehi-Isfahani (2019) find **high degree of IOp in educational attainment**, especially when it comes to reaching the secondary level.
- Jordan, Palestine and Tunisia are found to be the most opportunity equal while Iran, Iraq, Syria, and Yemen are the least equal (Assaad, Hendy and Salehi-Isfahani (2019)).

IOp Literature in MENA

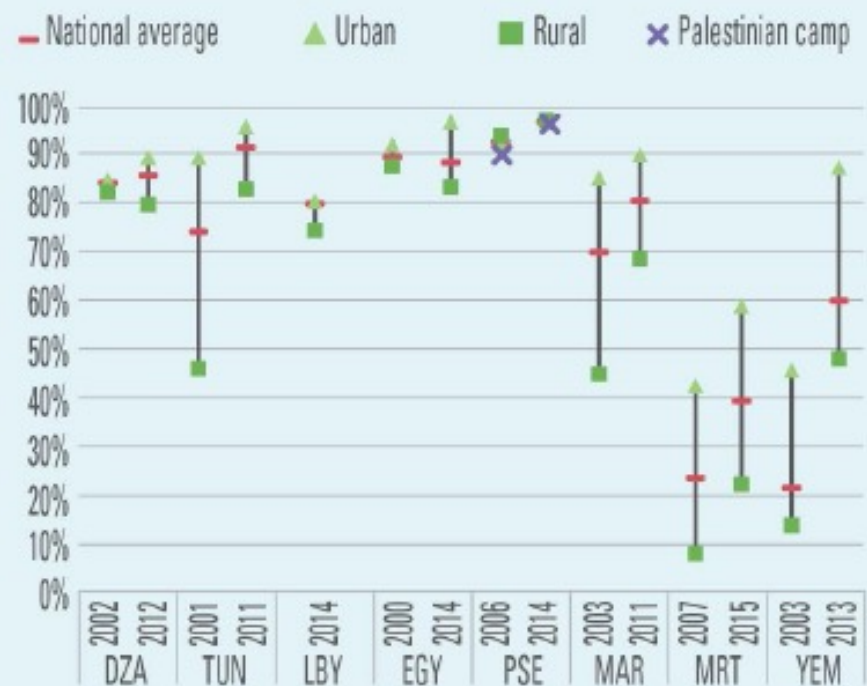
- Ersado and Gignoux (2014) find that more than 20% of inequality in **examination outcomes** in Egypt is attributable to circumstances such as parental education and household wealth use.
- We can conclude that MENA countries have considerably **high levels of IOp in education** (Salehi-Isfahani, Hassine, and Assaad 2014; Hashemi and Intini 2015; Krafft and Alawode 2018; Assaad, Hendy and Salehi-Isfahani 2019) .

Access to safe drinking water and improved sanitation by area (urban/rural)

A. Safe drinking water in 10 countries

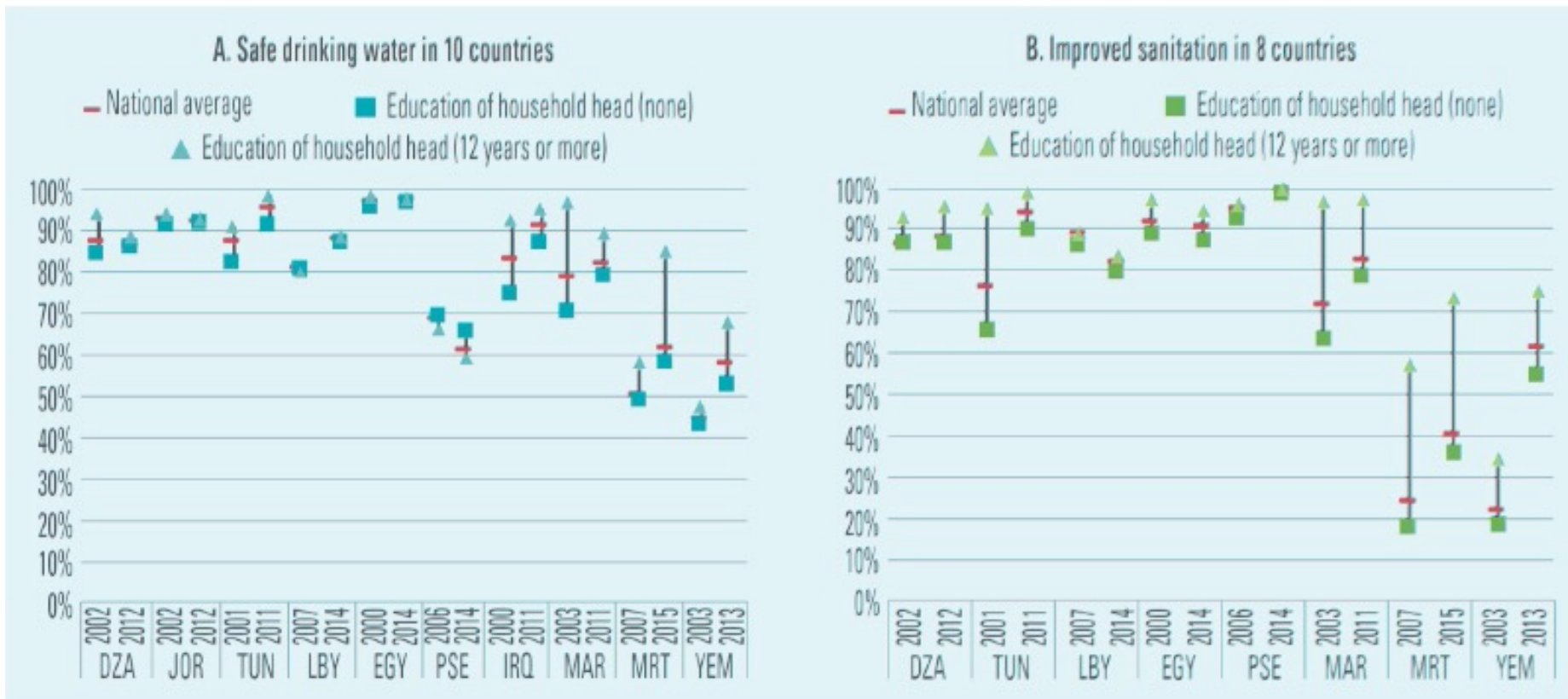


B. Improved sanitation in 8 countries



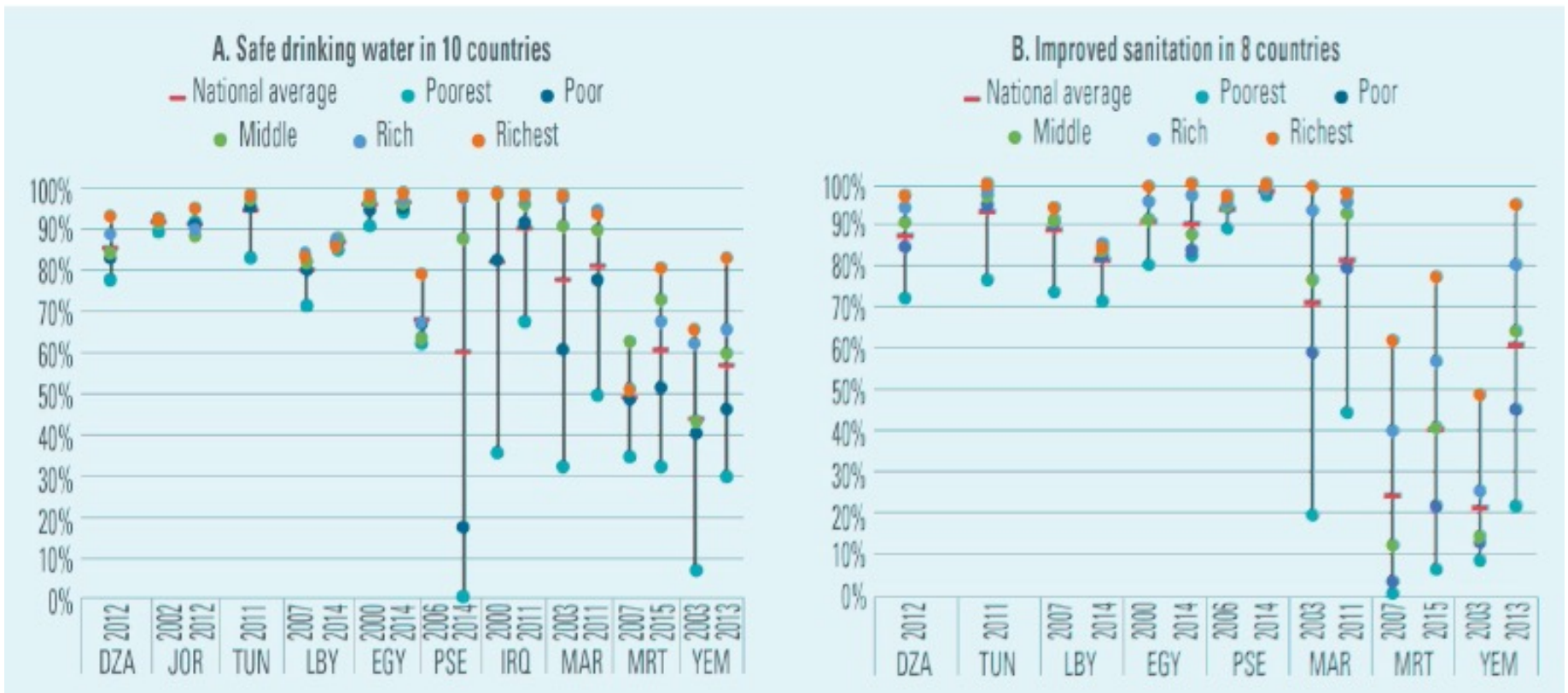
Source: ESCWA (2019).

Access to safe drinking water and improved sanitation by education of the head of the household



Source: ESCWA (2019).

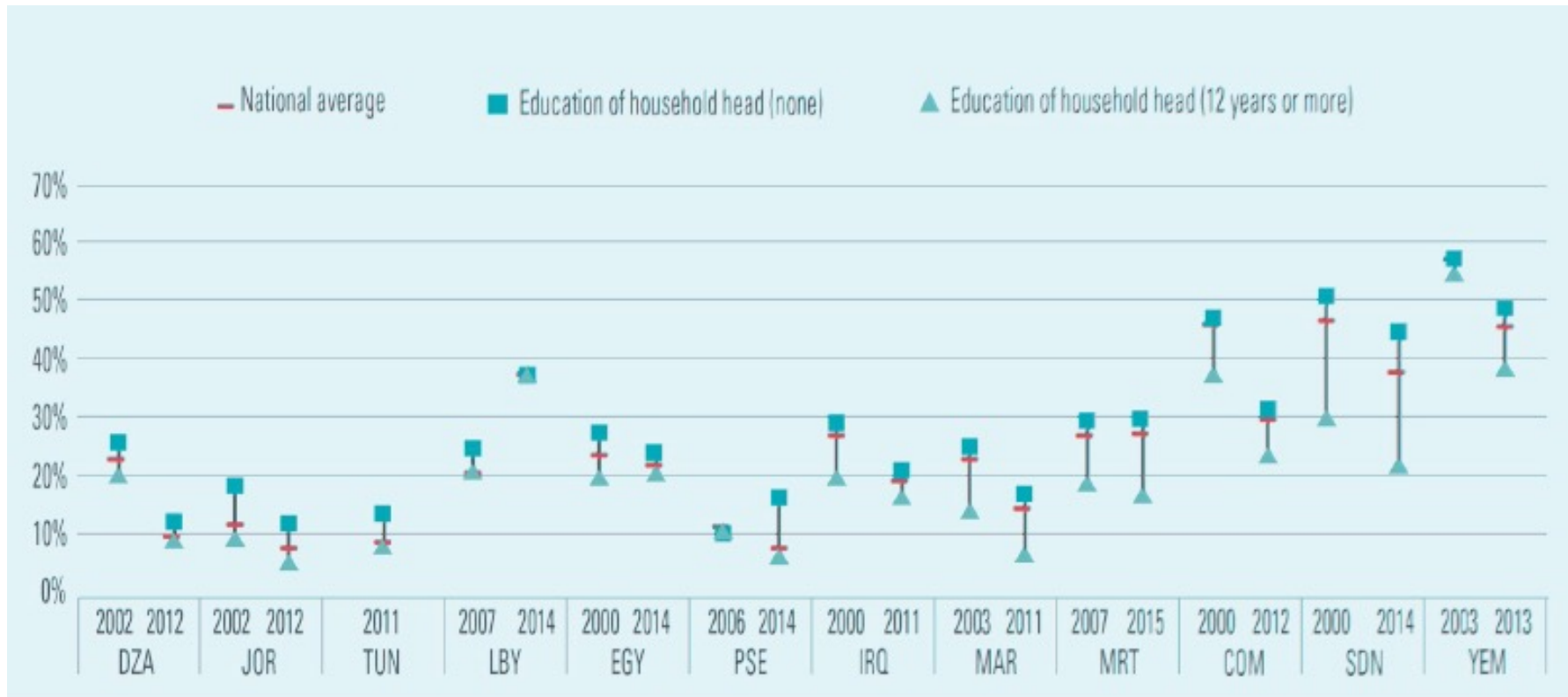
Access to safe drinking water and improved sanitation by wealth quintiles



Source: ESCWA (2019).

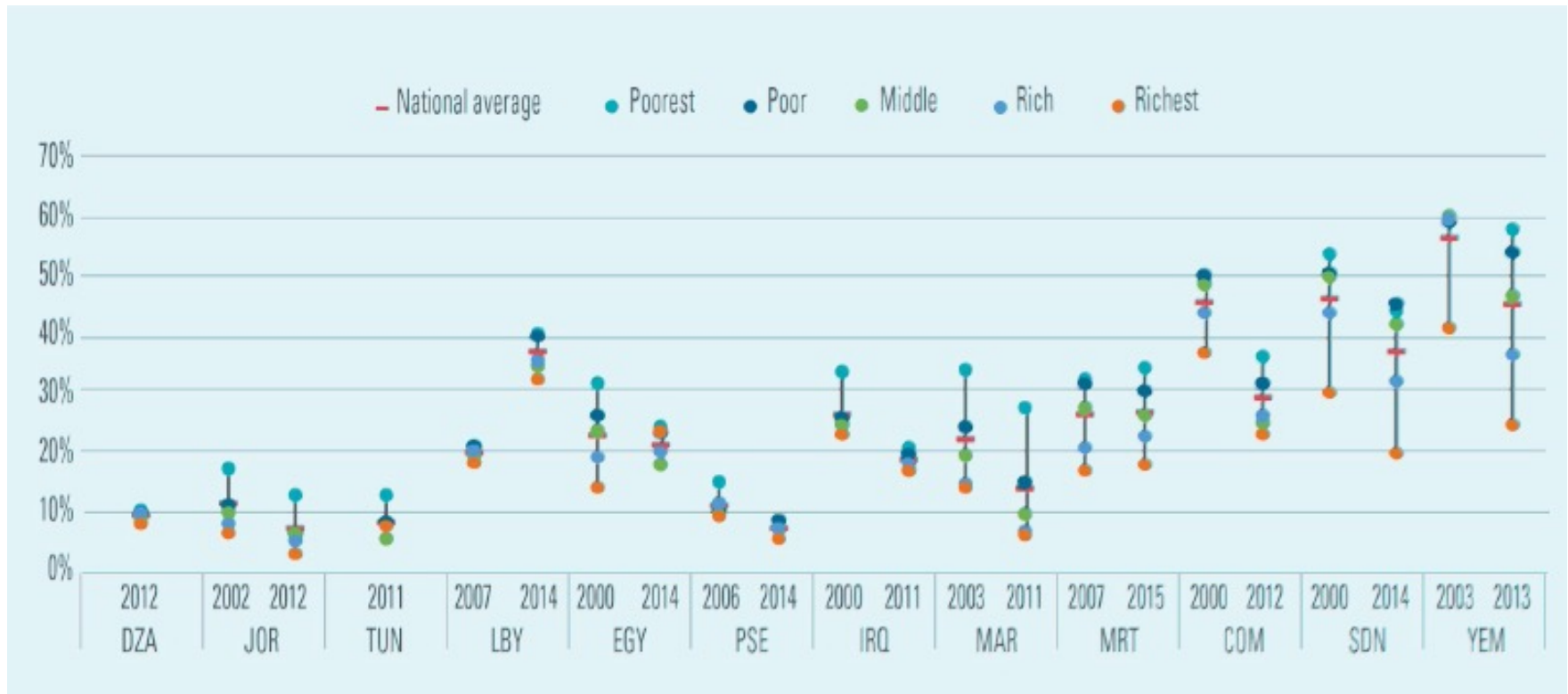
Inequality of health opportunity

Prevalence of stunting by education of the health of the household



Source: ESCWA (2019).

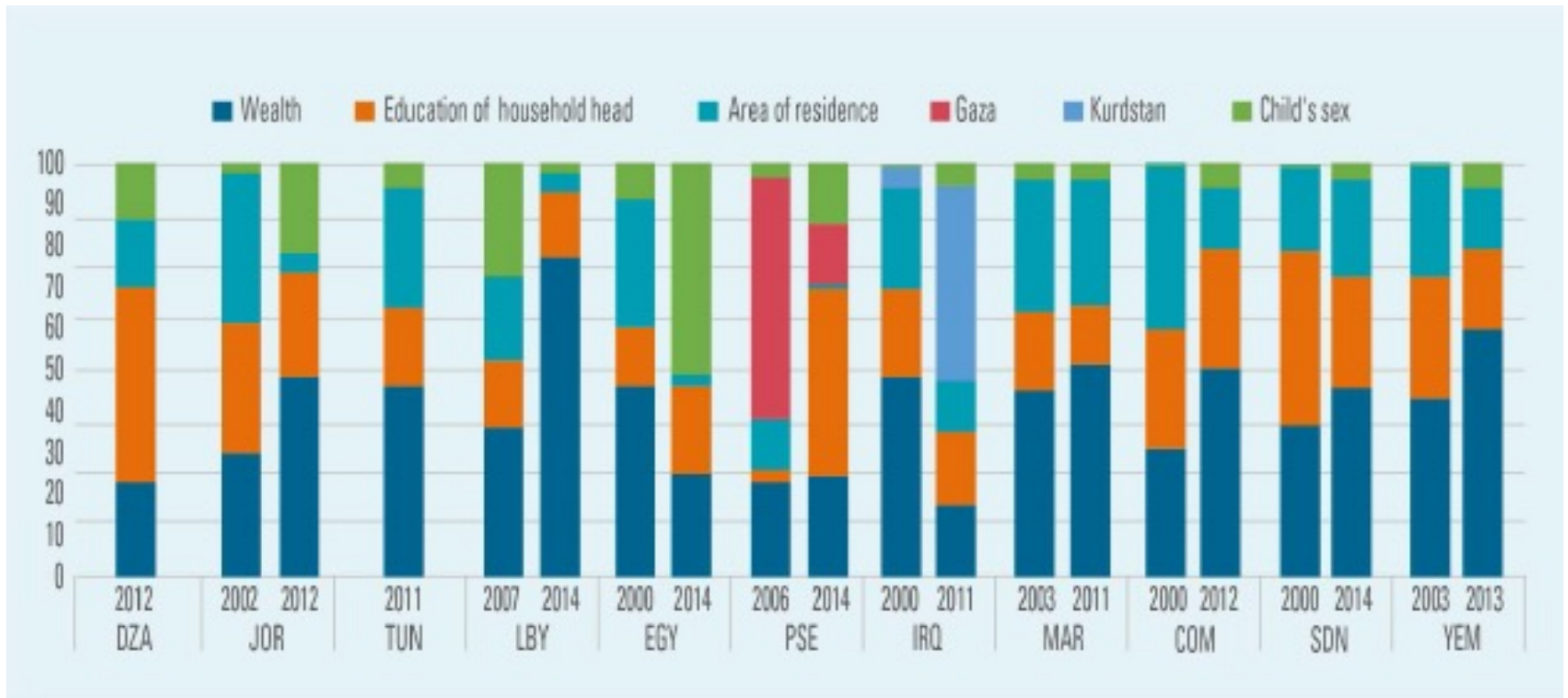
Prevalence of stunting by wealth quintile



Source: ESCWA (2019).

Inequality in health opportunity

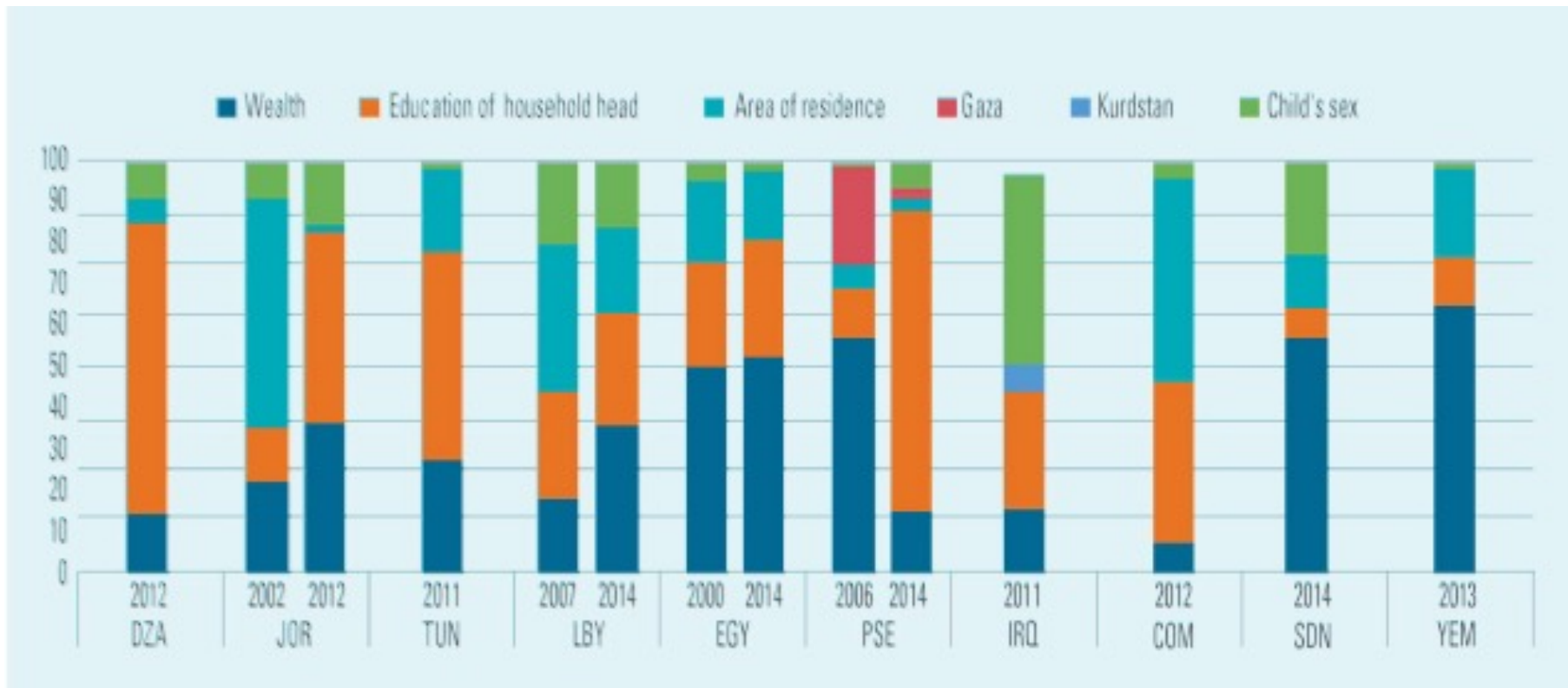
Stunting- Shapley decomposition



Source: ESCWA (2019).

Inequality in health opportunity

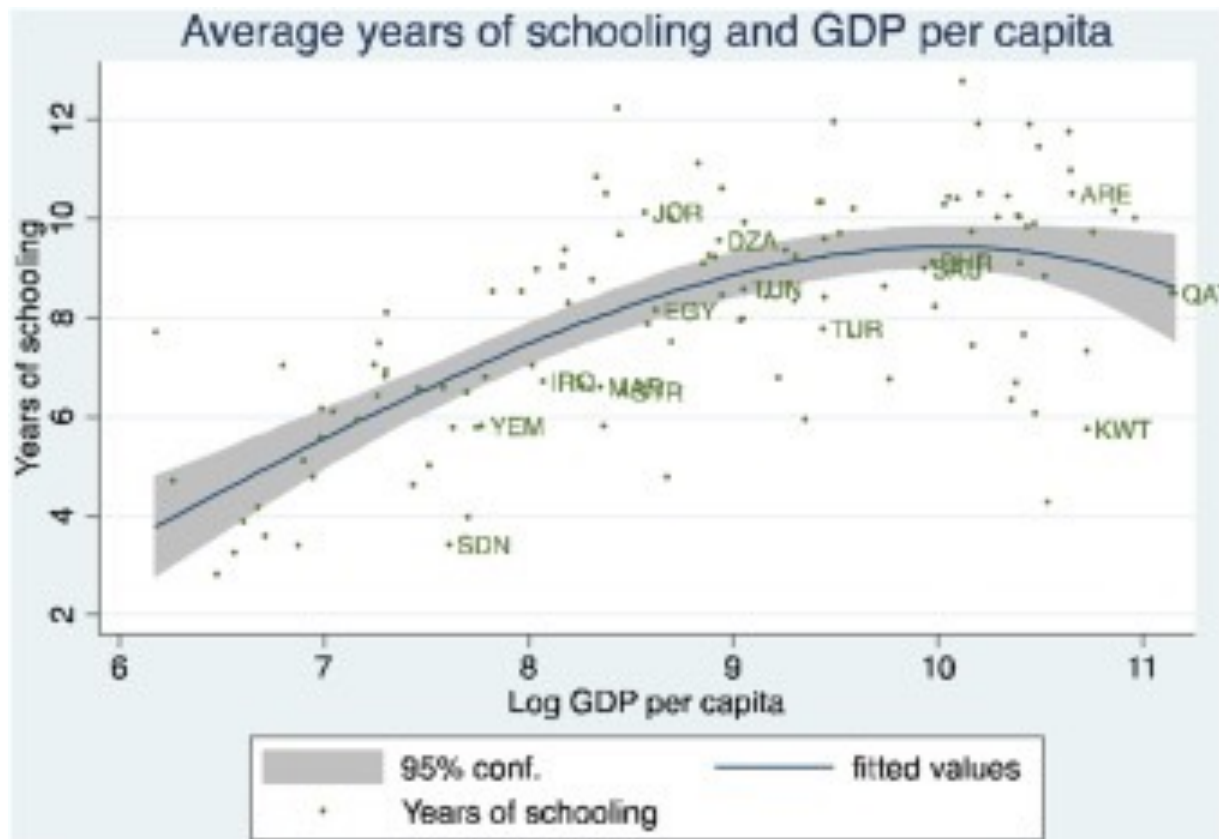
Infant mortality- Shapley decomposition



Source: ESCWA (2019).

- In summary, analyses of inequality of opportunity in health indicates higher incidences of **increasing inequality** compared to inequality of outcomes.

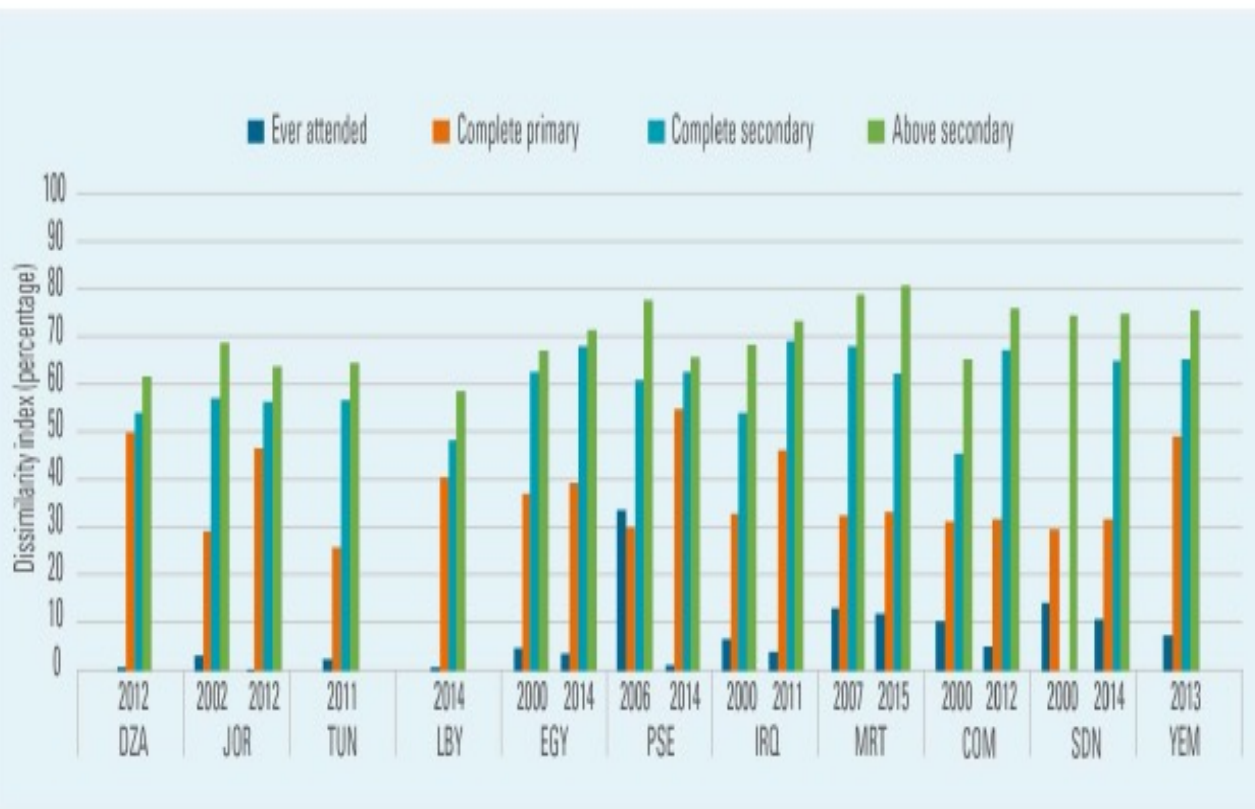
Inequality of education opportunity



Most MENA countries fall below the fitted line of the regression of average years of schooling on per capita GDP which implies that the average **number of years of schooling for the population 15–19 years old is low** relative to their income level.

Source: Assaad, Hendy and Salehi-Isfahani (2019).

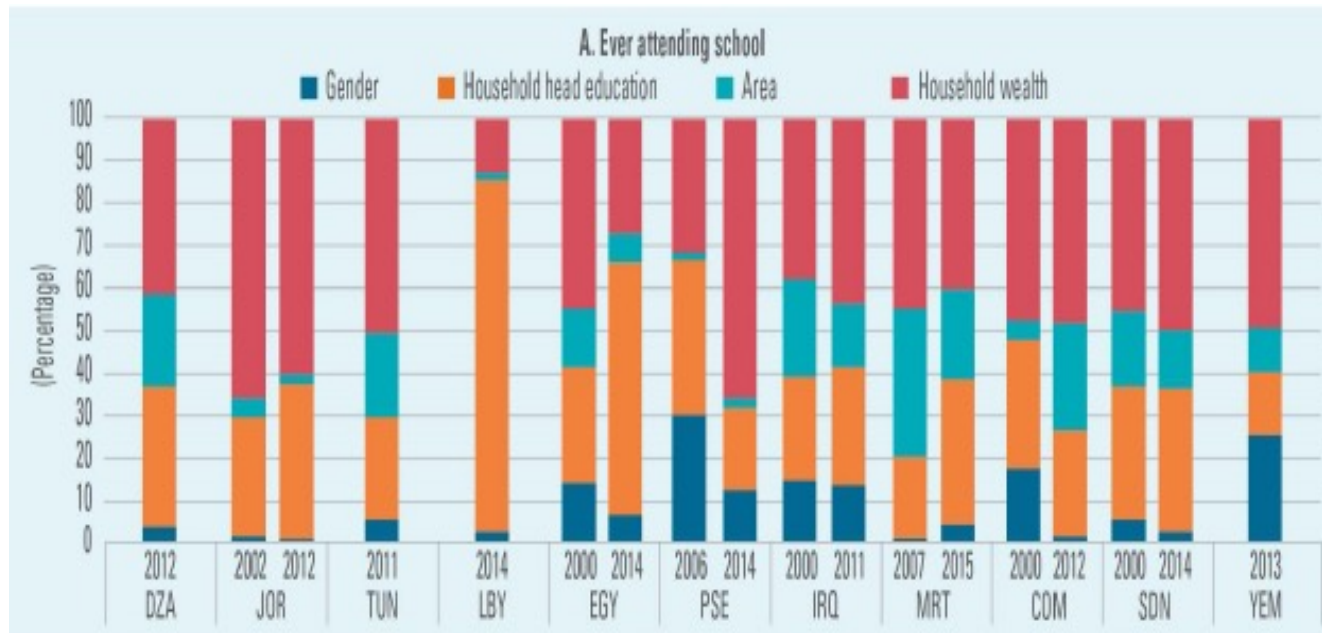
High Inequality of Opportunity for completion rates



Although individuals had equal opportunities to enter school, IOP soared for completion rates namely for levels higher than primary

Source: ESCWA (2019).

Inequality of opportunity for ever attending school



Gender contribution to IOp is fairly low (both boys and girls are able to attain school)

Household wealth and education of the household head contribute the most.

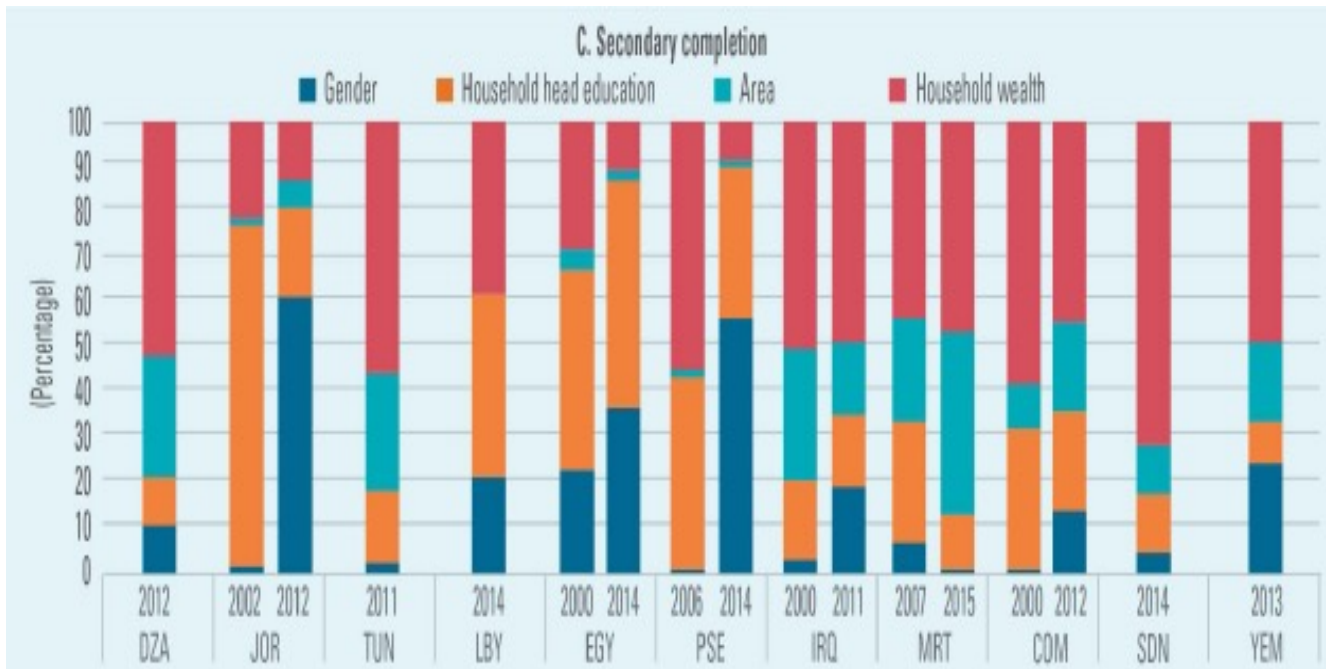
Inequality of opportunity for ever primary completion



Gender contribution to IOp **increased in Palestine.**

Household wealth and education of the household head contribute the most.

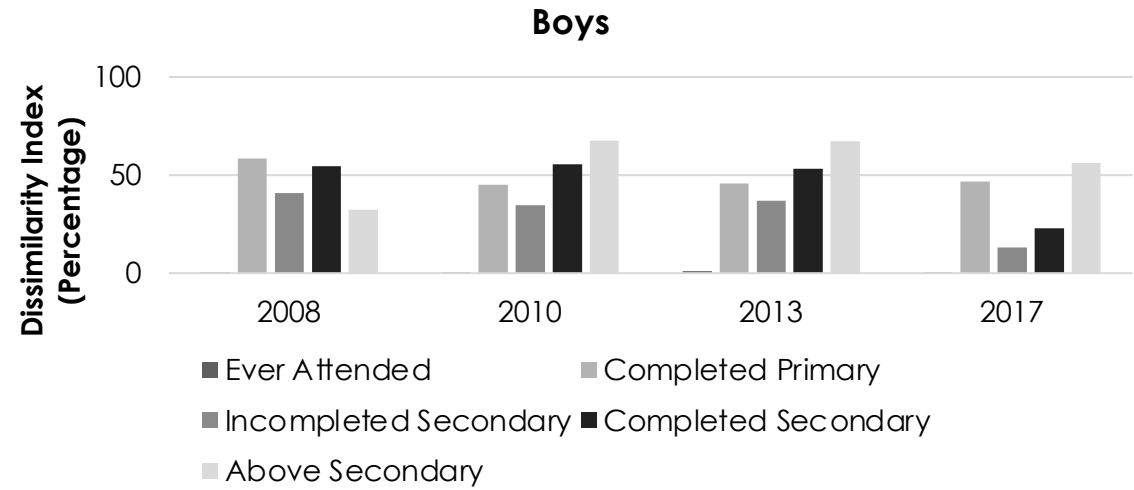
Inequality of opportunity for ever secondary completion



Gender contribution to IOp **increased** in several **MENA countries** (Palestine, Jordan, Egypt and Comoros).

Latest findings in **Jordan** confirm the same findings

Gender gap in is fairly low when it comes to the enrolment rates and incomplete primary level of education.

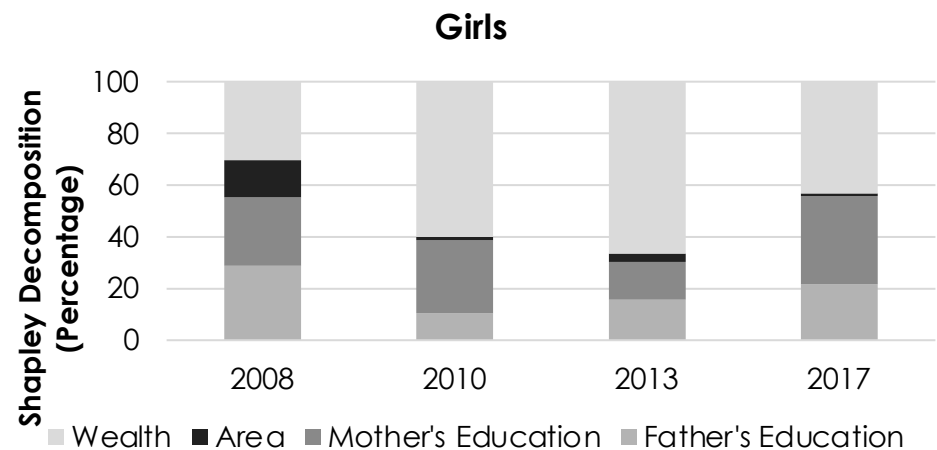
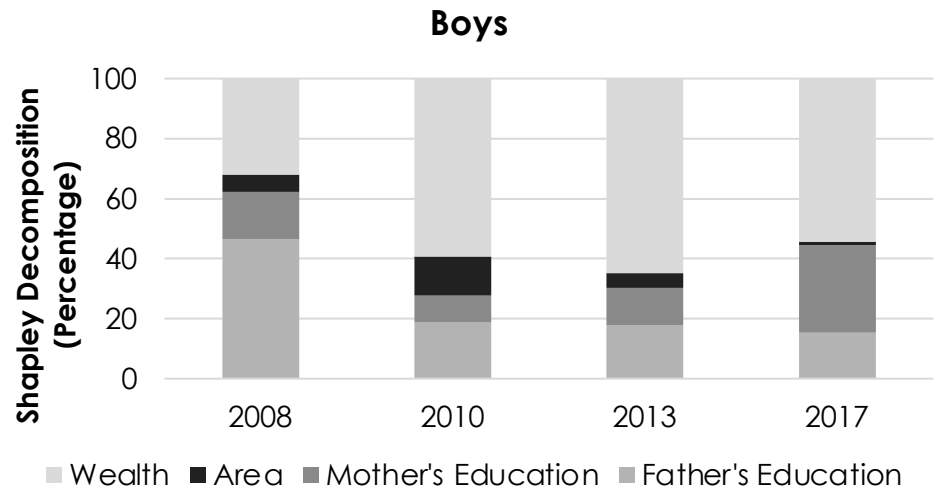


Source: Hendy and Ben Mimoune (2021).

Latest findings in **Jordan** confirm the same findings

Family wealth is the dominant determinant for the opportunity of ever-attending schools in Jordan in all years except for 2008

Mothers' education found to have an important role in children's school attendance whereas the father's education had the major impact in 2008 but decreased overtime in favor of family wealth.



Source: Hendy and Ben Mimoune (2021).

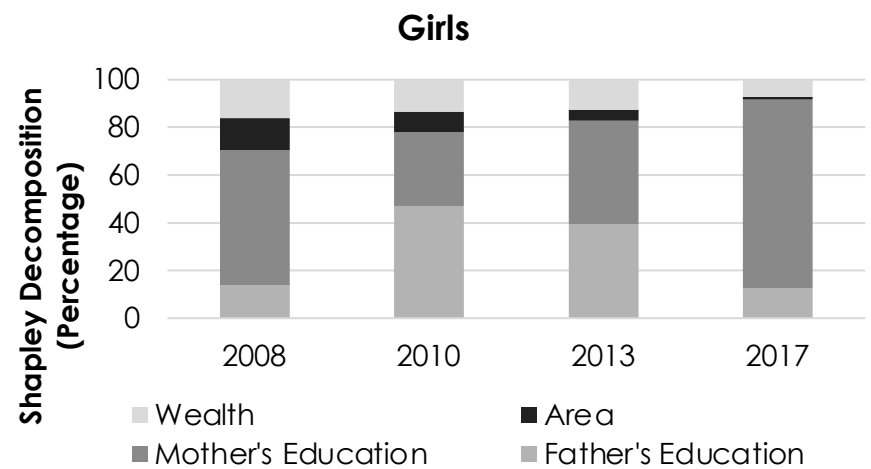
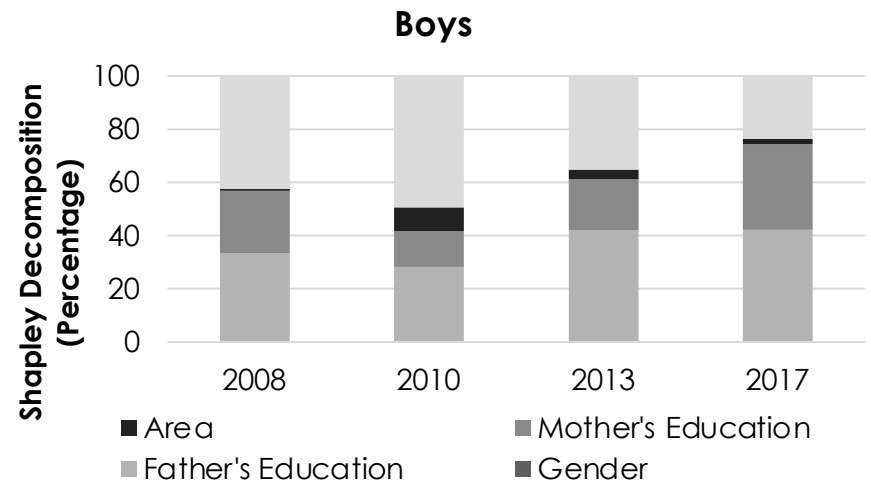
Latest findings in **Jordan** confirm the same findings

Opportunity of completing secondary education:

Mother's education and wealth are the primary contributors.

Parents' level of education combined became the main determinants of secondary completion starting 2013 and through 2017.

Mothers' education continues to be the main contributor to their girls' secondary education progression.



- In summary, inequality of opportunity in education in MENA remains high especially at levels higher than primary.
- Despite progress in inclusive access, household wealth and the education of the head of the household continue to be the primary determinant of opportunity of academic progression.

Conclusion

- The MENA region has achieved significant human capital gains generally resulting in the decrease in outcome inequalities.
- These gains were not closely matches with a decline in inequality of opportunity.

Conclusion

- The rentier nature of the countries in MENA has resulted in socio economic arrangements that systematical favors the interest of those with more influence.

Recommendations

- Good governance would make for prudent policy design that effectively targets the disadvantaged and reduces policy and inequality.
- The way to sustainable and inclusive economies: enhance access to quality key public services through social, economic and institutional reforms (ESCWA 2019).

Thank you for your attention