

(Conference Draft)

“The Role of Law in Tackling Poverty and Inequality in Saudi Arabia”

by Dr. Rawa Ghazy Almakky\*

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\* Dr. Rawa Ghazy Almakky is an Assistant Professor at the Faculty of Law, King Abdulaziz University, Saudi Arabia

## **Abstract**

In September 2015, the 2030 Agenda for Sustainable Development with its 17 Sustainable Development Goals (SDGs) was adopted at UN Sustainable Development Summit. The Agenda affirms that sustainable and inclusive economic growth is essential for national development and prosperity. Governments around the world are called upon to take positive action to achieve sustainable development by addressing issues such as poverty, inequality and unemployment and improving livelihoods for all people at the national level. The Kingdom of Saudi Arabia was present at the summit and agreed to achieve the goals by 2030. That same year, the Kingdom adopted Vision 2030, which is built around three themes: a vibrant society, a thriving economy, and an ambitious nation. It aims to address the country's current challenges at the regional and international levels, including accelerating sustainable development to develop the quality of life and create a higher standard of living for all citizens. Like many countries in the world, the Kingdom is facing an unprecedented pandemic that poses various health and economic challenges and social uncertainties. This paper examines these issues and discusses the legal and institutional developments in the country and whether these developments are successful in achieving sustainable economic growth and addressing poverty and inequality in the Kingdom.

**Keywords:** Law and Development, Human Rights, Poverty, Inequality, Saudi Arabia, Women' Rights, Legal Framework, United Nations Sustainable Development Goals, Saudi Vision 2030

## 1 Introduction

Globally, there are more than 700 million people living in extreme poverty.<sup>1</sup> In 2018, 8% of the world's working people and their families lived in extreme poverty.<sup>2</sup> In addition, it is estimated that COVID-19 will push more than 70 million people into extreme poverty and hundreds of millions more into unemployment and poverty.<sup>3</sup> UNDP *et al.* estimate that “803 million multidimensionally poor people in the world live in a household where someone is malnourished,” while 687 million have no electricity and “1.03 billion have substandard housing materials.”<sup>4</sup> The pandemic has also disrupted livelihoods and food supply chains around the world. According to the World Food Programme, the number of people facing acute food insecurity could rise by 130 million in 55 countries.<sup>5</sup> The Special Rapporteur on Poverty and Human Rights notes that poor people and marginalized communities are most affected in almost every country, both in vulnerability to the virus and its economic consequences.<sup>6</sup>

A recent report published by the UN ESCWA suggests that the Arab region is not on track to achieve the United Nations Sustainable Development Goals (UN SDGs).<sup>7</sup> Poverty and inequality are widespread in the region. Least developed Arab states such as Sudan, Yemen and Syria are affected by extreme poverty.<sup>8</sup> As a result of conflict in the region, the incidence of extreme poverty is increasing,<sup>9</sup> higher than the world average and that of other developing states, with the exception of sub-Saharan Africa.<sup>10</sup> Approximately 16% of the least developed Arab states fall below the international poverty line of \$1.90.<sup>11</sup> Although on average 61% of the population in the Arab world has access to health services, the rate varies widely from country to country, ranging from 77% in countries such as Kuwait and Saudi Arabia to 22% in Somalia.<sup>12</sup> This is despite ongoing

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<sup>1</sup> UN, “Goal 1: End poverty in all its forms everywhere” available at: <https://www.un.org/sustainabledevelopment/poverty/>

<sup>2</sup> *ibid.*

<sup>3</sup> *ibid.*

<sup>4</sup> International Labour Organization, “As job losses escalate, nearly half of global workforce at risk of losing livelihoods,” 29 April 2020; Daniel Mahler, et al., “Updated estimates of the impact of COVID-19 on global poverty,” World Bank Blogs, 8 June 2020. See also UN Human Rights Council, *The parlous state of poverty eradication Report of the Special Rapporteur on extreme poverty and human rights*, (15 June–3 July 2020) A/HRC/44/40, 3.

<sup>5</sup> See World Food Programme, *COVID-19 will double number of people facing food crises unless swift action is taken*, (21 April 2020). See also *Global Multidimensional Poverty Index 2020*, Charting pathways out of multidimensional poverty: Achieving the SDGs, 14.

<sup>6</sup> O De Schutter, *Extreme poverty and human rights*, UN Special Rapporteur (2020-2026). Available at: <<https://srpoverty.org/?fbclid=IwAR1VCFQJOnf1NYbhDvYWaPucW-6pq4SQLk9ttRQS7ZDnT2R4zCB1Blh5k7k>>

<sup>7</sup> UN ESCWA, *Arab Sustainable Development Report 2020*, 14 <https://asdr.unescwa.org/sdgs/pdf/en/ASDR2020-SDGs/ASDR2020-SDG1.pdf>

<sup>8</sup> *ibid.*

<sup>9</sup> *ibid.* See data provided by ESCWA, the headcount poverty ratio, \$1.90 per day poverty line, increased from 4% in 2013 to 6.7% in 2015.

<sup>10</sup> *ibid.*

<sup>11</sup> *ibid.*

<sup>12</sup> UN ESCWA *Global Health Security Index*, (2019) available at: <<https://www.ghsindex.org>>

emergency health interventions and increased efforts to improve access to COVID -19 related information. As a result, the lack of healthcare when one becomes ill with Covid-19 has devastating consequences for the poor.<sup>13</sup>

Saudi Arabia is facing two of the biggest crises in several decades; “a historic drop and volatility in oil prices, and the global COVID-19 pandemic,”<sup>14</sup> both of which are expected to impact on Saudi Arabia. However, the government has shown the right way to contain the spread of COVID -19 with timely and well-crafted measures.<sup>15</sup> Despite the commendable response of the government, the magnitude of the COVID -19 pandemic is causing socio-economic dislocation, as it has in many countries around the world.<sup>16</sup> A report published by United Nations (UN) states that COVID -19 “is affecting every sector of the economy and every aspect of people’s everyday life.”<sup>17</sup> Mitigation measures were taken by the government to support businesses or public and private sector employees. Assistance was demonstrated through the distribution of food aid packages to the most vulnerable in society by the Saudi Food Bank, the United Nations Network on Migration and other Non-Governmental Organizations (NGOs) in Saudi Arabia.<sup>18</sup>

The most vulnerable and disproportionately affected by the pandemic are the poorer segments of Saudi society and foreigners who work predominantly in the private and informal sectors. These vulnerable populations have been affected by the recent VAT increase and salary cuts due to the pandemic. Those working in the informal sector have lost their income completely.<sup>19</sup>

A report from the UN states, “The pandemic is likely to exacerbate poverty and worsen already high rates of youth unemployment.”<sup>20</sup> As the UN Special Rapporteur on Extreme Poverty and Human rights and the UN report in 2020 claim, there is no official data available on poverty in the Kingdom. There have been improvements in administrative capacity to identify and support low-income households, such as the introduction of the Citizen Account Program, where people can register online. Vision 2030 set ambitious goals to protect Saudi citizens, such as updating the welfare system, redirecting price subsidies to those in need, educating and training those who cannot find work, and “providing tailored care and support to the most vulnerable citizens.”<sup>21</sup>

The 2030 Agenda for Sustainable Development recognises that eradicating poverty in all its forms and dimensions, including extreme poverty, “is the greatest global challenge” and *a sine qua non*

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A, 14, see UN, *The impact of COVID-19 on the Arab region: An opportunity to build back better*, Policy brief, 6 (2020)

<[https://www.un.org/sites/un2.un.org/files/sg\\_policy\\_brief\\_covid19\\_and\\_arab\\_states\\_english\\_version\\_july\\_2020.pdf](https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid19_and_arab_states_english_version_july_2020.pdf)>

<sup>13</sup> *ibid.*

<sup>14</sup> UN, *United Nations COVID-19 Capacity Brief UN in KSA*, June 2020, available at:

[https://saudiarabia.un.org/sites/default/files/2020-07/SAU\\_Socioeconomic-Response-Plan\\_2020.pdf](https://saudiarabia.un.org/sites/default/files/2020-07/SAU_Socioeconomic-Response-Plan_2020.pdf)

<sup>15</sup> *ibid.*

<sup>16</sup> *ibid.*

<sup>17</sup> *ibid.*

<sup>18</sup> *ibid.*

<sup>19</sup> UN, *Socio-Economic impact of COVID-19 in the Kingdom of Saudi Arabia and how to Build Back Better* Diagnostics paper UN in KSA (November 2020) 4.

<sup>20</sup> *ibid.*, 85.

<sup>21</sup> *ibid.*

for sustainable development.<sup>22</sup> For this reason, this paper examines the legal and institutional approach Saudi Arabia is taking to address poverty and inequality in the Kingdom. It begins with a contextual background to Saudi Arabia, it provides a discussion of the meaning of poverty, the Saudi Legal System and Vision 2030, followed by an assessment of socio-economic developments in Saudi Arabia and the Kingdom's measures in response to the COVID -19 pandemic and its impact on the socio-economic rights of citizens and foreigners alike, it then considers the socio-economic rights of women and their place in society and provides a discussion of the key challenges.

## 1.1 Definition of poverty

*“We [193 States participating at the Sustainable Development Summit] are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.”<sup>23</sup>*

Poverty eradication is a particular concern in the Sustainable Development Summit<sup>24</sup> where 17 SDGs have been adopted in addition to the 2030 Agenda for Sustainable Development. One of the most important goals, as well as the first target of the UN SDGs, is “to end poverty and hunger, in all their forms and dimensions [...]”<sup>25</sup> Prior to the UN SDGs, the UN's Millennium Development Goals and the Beijing Platform for Action also called for international action to end global poverty.<sup>26</sup> The Beijing Platform for Action recognised that poverty has multiple manifestations, such as the lack of income and productive resources to support livelihoods.<sup>27</sup> Poverty can manifest itself in a many ways, such as “hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increasing morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion.”<sup>28</sup> Poverty used to be defined only in monetary terms, but is now understood to be “the lived reality of people’s experiences and the multiple deprivations they face.”<sup>29</sup> The Global Multidimensional Poverty Index (MPI) is an international measure of acute multidimensional poverty that covers over 100 developing countries.<sup>30</sup> It captures the critical deprivations “in health, education, and living standards” to which a person is simultaneously exposed.<sup>31</sup> It complements the international

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<sup>22</sup> UN, Sustainable Development Goals, Poverty Eradication

<<https://sustainabledevelopment.un.org/topics/povertyeradication>>

<sup>23</sup> *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015, A/RES/70/1

<sup>24</sup> The Summit was held in 2016 at United Nations (UN) headquarters in New York, with the presence and agreement of 193 Member States of the UN, including Saudi Arabia. See United Nations, *Sustainable Development Goals* (2015) <<https://www.un.org/sustainabledevelopment/poverty/>>

<sup>25</sup> United Nations, *Sustainable Development Goals*, 2015, available at:

<<https://www.un.org/sustainabledevelopment/poverty/>>

<sup>26</sup> *ibid.*

<sup>27</sup> UN, *Beijing Declaration and Platform for Action*, Adopted at the 16th plenary meeting, on 15 September 1995, 19.

<sup>28</sup> *ibid.*

<sup>29</sup> UN, *Global Multidimensional Poverty Index 2020*, 4.

<sup>30</sup> *ibid.*, Saudi Arabia is not part of the 100 countries assessed.

<sup>31</sup> Oxford Poverty and Human Development Initiative, *Global Multidimensional Poverty Index*, available at<<https://ophi.org.uk/multidimensional-poverty->

definition of poverty (\$1.90 per day) and aims to understand both “who is poor and how they are poor.”<sup>32</sup>

Poverty, then, is not just a matter of income, but above all a matter of being able to live a life of dignity and human rights. It describes complex, interrelated and mutually reinforcing deprivations that affect people's ability to claim and enjoy their civil, cultural, social, economic and political rights.<sup>33</sup> It complements more conventional approaches to development and poverty reduction.<sup>34</sup> A human rights-sensitive understanding of poverty enables more effective and equitable responses to the multiple dimensions of poverty. Therefore, the denial of human rights is fundamentally part of the very definition of poverty.<sup>35</sup>

A report submitted by Saudi Arabia in 2017 defines poverty as follows: “The economic situation in which an individual does not have sufficient income to maintain a minimum level of food, clothing, housing, health care, education, and all that is necessary to ensure an adequate standard of living.”<sup>36</sup> The extreme poverty line is based on the amount of income or expenses required for a family or individual to meet basic food needs and obtain enough calories to carry out their daily activities. In contrast, the absolute poverty line is the level of income required for the family or individual to meet basic food and non-food needs. It refers to the necessary non-food items such as housing, clothing, education, health, and transportation among others.<sup>37</sup> The definition of poverty provided in 2017 does not seem to be as comprehensive as the definition provided by United Nations. This may lead to problems in measuring poverty in the Kingdom. This will be discussed later in the paper.

## 1.2 The Saudi Legal System

Saudi Arabia is a fully sovereign Islamic state according to the Basic Law of Governance of 1992, the most important of the three basic constitutional decrees promulgated in 1992. Article 1 of the Basic Law states that the Qur'an and the Sunnah of the Prophet Muhammad (peace be upon him) constitute the central constitution of the kingdom from which the government derives its authority.<sup>38</sup> Similar to several constitutions in different parts of the world, the Basic Law of Governance contains many chapters, namely the General Principles, Law of Governance, Saudi Social Values, Economic Principles, Rights and Obligations, State Authorities, Financial Affairs,

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index/#:~:text=The%20global%20Multidimensional%20Poverty%20Index,that%20a%20person%20faces%20simultaneously.>

<sup>32</sup> *Global Multidimensional Poverty Index 2020*, 4.

<sup>33</sup> L Arbour, *Principles and Guidelines for A Human Rights Approach to Poverty Reduction Strategies*, OHCHR, HR/PUB/06/12, ii.

<sup>34</sup> *ibid.*

<sup>35</sup> *ibid.*

<sup>36</sup> UN Human Rights Council, *Report of the Special Rapporteur on extreme poverty and human rights on his mission to Saudi Arabia: comments by the State*, Human Rights Council Thirty-fifth session 6-23 June 2017, A/HRC/35/26/Add.5, 3. (translated from Arabic)

<sup>37</sup> *ibid.*

<sup>38</sup> AF Ansary, “Update: An overview of the Saudi Arabian legal system” Available at: <[https://www.nyulawglobal.org/globalex/Saudi\\_Arabia1.html#\\_edn63](https://www.nyulawglobal.org/globalex/Saudi_Arabia1.html#_edn63)>

and Audit Institutions.<sup>39</sup> Article 8 affirms that the main principles of governance are based on justice, consultation, and equality according to the Shari'ah. Some provisions promote economic and human rights.<sup>40</sup> As such, the principle of equality is enshrined in Article 8 of the Basic Law of Governance. This principle is also implied in Article 26 of the Basic Law as follows: "The State shall protect human rights in accordance with the Islamic Sharia." From the very beginning, the social and economic well-being of citizens and residents is enshrined in the Basic Law of Governance

In addition, the Kingdom supports the UN Human Rights discourse and was among the States that participated in the drafting the Universal Declaration of Human Rights.<sup>41</sup> It is part of the Human Rights Council and held a seat for two consecutive terms (2009-2019).<sup>42</sup> It is also a party to various international human rights instruments, including the International Convention on the Elimination of all Forms of Racial Discrimination (accession in 1997), the Convention on the Elimination of All Forms of Discrimination against Women (accession in 2000), the Convention on the Rights of the Child (accession in 1995), the Optional Protocol to the Convention on the Rights of the Child with regard to the sale of children and to child prostitution and pornography (accession in 2010), the Optional Protocol to the Convention on the Rights of the Child with regard to the involvement of children in armed conflicts (accession in 2010), the Convention on the Rights of Persons with Disabilities and its Optional Protocol (accession in 2008), the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (accession in 1997), the United Nations Convention against Corruption (ratified in 2013), the United Nations Convention against Transnational Organized Crime (ratified in 2005), and the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially women and children (ratified in 2007).<sup>43</sup> The Kingdom's aim is thus to promote and protect human rights in accordance with Sharia'a. It has not only ratified these instruments but also introduced new laws to enforce these standards.

In Addition, Saudi Arabia signed six out of eight fundamental ILO conventions, namely the Equal Remuneration Convention (No. 100) on June 15, 1978, Forced Labour Convention, 1930 (No. 29), Abolition of Forced Labour Convention, 1957 (No. 105), Discrimination (Employment and Occupation) Convention, 1958 (No. 111), Minimum Age Convention, 1973 (No. 138) on April 2, 2014, and the Worst Forms of Child Labour Convention, 1999 (No. 182) on October 8, 2001.<sup>44</sup>

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<sup>39</sup> *ibid.*

<sup>40</sup> *ibid.*

<sup>41</sup> See UN Library, "Drafting of the Universal Declaration of Human Rights", General Assembly 3rd session - 3rd Committee, <<https://research.un.org/en/undhr/ga/thirdcommittee>>

<sup>42</sup> See UN, Membership of the Human Rights Council  
<<https://www.ohchr.org/EN/hrbodies/hrc/pages/membership.aspx>>

<sup>43</sup> Saudi Arabia has also held reservations to some of these treaties. It held reservations to any article that contradicts the norms of Islamic law (Shariah), and paragraph 2 of article 9 and paragraph 1 of article 29 of the Convention. See UNTC, 8. Convention on the Elimination of All Forms of Discrimination against Women, [https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg\\_no=IV-8&chapter=4&lang=en#EndDec](https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=IV-8&chapter=4&lang=en#EndDec)

<sup>43</sup> UN, Convention on the Elimination of All Forms of Discrimination against Women New York, 18 December 1979.

<sup>44</sup> ILO, Ratifications for Saudi Arabia. Available at:

<[https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:103208](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103208)>

The Kingdom also ratified the Protection of Wages Convention, 1949 (No. 120) and Hygiene (Commerce and Offices) Convention, 1964 (No. 120) on December 7, 2020. The conventions will enter into force on the same date next year. It is reported that Saudi Arabia has ratified these conventions because the government is committed to developing the working environment and protecting the rights of workers. The government recently adopted a national program to protect the wages of employees who work in the private sector as will be discussed in the forthcoming paragraphs.

### 1.3 Saudi Arabia's Vision 2030

We will continue modernizing our social welfare system to make it more efficient, empowering and just. Subsidies for fuel, food, water and electricity will be better utilized by redirecting them towards those in need. We will provide our most vulnerable citizens with tailored care and support. Together with the private sector and non-governmental organizations, we will train and qualify those unable to find employment so they can smoothly join the workforce whenever possible.<sup>45</sup>

The Vision 2030 of Saudi Arabia was approved by Cabinet Resolution No. 308 on April 25, 2016. The vision includes development plans and programmes covering broad economic and social sectors.<sup>46</sup> According to a report submitted by Saudi Arabia to Human Rights Council for the 2018 periodic review, Vision 2030 is a blueprint for overall policies, programmes and initiatives, that harness the Kingdom's potential "and God-given resources within a framework of three themes: a vibrant society, a thriving economy, and an ambitious nation."<sup>47</sup> Each theme includes several objectives directly or indirectly related to human rights and addresses, "explicitly or implicitly, [addresses] a number of these rights," such as the right to development, the rights of women and children, the rights to security, health, and work, the rights of elderly persons and persons with disabilities, as well as various other economic, social and political rights.<sup>48</sup>

Vision 2030 addresses the current challenges facing the Kingdom regionally and internationally and aims to diversify and stimulate economic growth. It is an ambitious methodology and a roadmap for the Kingdom's goals of attaining a preeminent international position in all economic, social, and cultural fields. More importantly, it aims to accelerate sustainable development to improve the quality of life and create a higher standard of living for all citizens.<sup>49</sup>

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<sup>45</sup> King Khaled Foundation, *Developing the government subsidy system in the kingdom of Saudi Arabia: Determining poverty line and sufficiency line*, (2017), 4

<<https://kkf.org.sa/media/qfahczvz/1-determining-poverty-line-and-sufficiency-line-2017.pdf>>

<sup>46</sup> UN Human Rights Council, National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21: Saudi Arabia, 5 August 2013, A/HRC/WG.6/17/SAU/1,2.

<sup>47</sup> UNGA, Human Rights Council Working Group on the Universal Periodic Review thirty-first session 5–16 November 2018, *National report submitted in accordance with paragraph 15 (a) of the annex to Human Rights Council resolution 5/1 Kingdom of Saudi Arabia*, A/HRC/WG.6/31/SAU/1, (20 August 2018), 2.

<sup>48</sup>*ibid.*

<sup>49</sup> *Transformation towards sustainable and resilient societies*, First Voluntary National Review 2018 – 1439, National Review Kingdom of Saudi Arabia UN High-Level Political Forum 2018, July 9-18, 2018 (New York 2018) 9.



The Vision is supported by an integrated governance system consisting of several institutional structures, gathering actors from the public and private sectors, as well as non-profit associations and societies. To achieve the ambitious goals by 2030, numerous programs, procedures and administrative measures have been launched.<sup>50</sup> Key initiatives include a privatisation program “that has already seen a partial sale of [the] national oil giant Saudi Aramco,” expanding employment opportunities in the private sector, and “the increased participation of women in the job market.”<sup>51</sup> This reform process aims to establish Saudi Arabia as “one of the 15-largest economies in the world” and aims to renew the financial, tourism and industrial sectors. There is also to be an expanded education system, a wider range of employment opportunities and more entertainment and cultural offerings in the Kingdom.<sup>52</sup>

There are 13 Vision Realisation Programmes (VRPs) with detailed roadmaps for each sector ranging from lifestyle initiatives to industrial, housing, fiscal, and financial reforms. These programs can enhance efforts to achieve sustainable development, such as the Housing Program, Lifestyle Improvement Program, National Industrial Development and Logistics Program, Enriching the Hajj and Umrah Experience, National Transformation Program, National Companies Promotion Program, and Fiscal Balance Program.<sup>53</sup>

## 2 The Socio-economic Developments in Saudi Arabia

“Our country was founded on firm foundations and genuine values and principles that are all based on the Holy Koran and the Sunna of the Prophet (May the Peace and Blessings of Allah Be Upon Him) ... Development is an innate characteristic of the Saudi state, in conformity with our genuine principles and values, with an aim to chart out a promising future for our country and our citizens.”<sup>54</sup>

The Arab region is diverse in terms of economic and human development. It includes countries with a remarkably high Human Development Index (HDI) and countries with a low HDI.<sup>55</sup> Its HDI score for 2018 was 0.857 - putting the country in the very high human development category.

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<sup>50</sup> UN Human Rights Council, National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21: Saudi Arabia, 5 August 2013, A/HRC/WG.6/17/SAU/1, 2.

<sup>51</sup> Oxford Business Group, *Saudi Arabia maintains focus on long-term economic goals*, (2020) Available at: <<https://oxfordbusinessgroup.com/overview/staying-course-government-holds-steady-long-term-goals-while-mitigating-effects-recent-global>>

<sup>52</sup> *ibid.*

<sup>53</sup> MoEP, (Minister of Economy and Planning, *Towards Saudi Arabia's Sustainable Tomorrow*, First Voluntary National Review 2018 – 1439, Kingdom of Saudi Arabia, UN High-Level Political Forum 2018, "Transformation towards sustainable and resilient societies" July 9-18, 2018 (New York 2018) 20.

<sup>54</sup> Custodian of the Two Holy Mosques King Salman bin Abdul-Aziz, cited in MoEP, (Minister of Economy and Planning, *Towards Saudi Arabia's sustainable tomorrow*, First Voluntary National Review 2018 – 1439, Kingdom of Saudi Arabia, UN High-Level Political Forum 2018, "Transformation towards sustainable and resilient societies" July 9-18, 2018 (New York 2018) 3.

<sup>55</sup> A C Machado, C Bilo, F V Soares, & R G Osorio, *Overview of non-contributory social protection programmes in the Middle East and North Africa (MENA) region through a child and equity lens*, (2018) International Policy Centre for Inclusive Growth and UNICEF Middle East and North Africa Regional Office, 16.

Between 1990 and 2018, Saudi Arabia 's HDI value increased from 0.698 to 0.857, a 22.8% increase. Saudi Arabia Life expectancy at birth increased by 5.9 years, average years of schooling increased by 4.0 years, and expected years of schooling increased by 6.2 years. Saudi Arabia GNI per capita increased by about 11.6% between 1990 and 2018.<sup>56</sup>

Fortunately, Saudi Arabia is considered one of the most stable and largest economies in the Middle East.<sup>57</sup> The Kingdom has a total population of 34.2 million.<sup>58</sup> It represents the largest economy in an emerging regional block, the Gulf Cooperation Council (GCC), which consists of Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, and Saudi Arabia. The Kingdom contributes 49% of the total GDP of the economic bloc and accounts for 67% of the total population.<sup>59</sup> It is also the only OPEC member among the constituents of the G20. Therefore, Saudi Arabia is becoming increasingly important in the Middle East and the global economy.<sup>60</sup> As such, the Kingdom has the potential to reduce poverty and improving the quality of life to its citizens because of this economic growth.<sup>61</sup>

The economic development in the GCC region has been dominant over the past decade. Diversification of the economy Saudi Arabia away from oil has grown faster than the energy sector, and “the region has become one of the global economic growth poles attracting both foreign workers and foreign direct investment (FDI).”<sup>62</sup> The GCC has a healthy fiscal balance that allows for the accumulation of significant fiscal surpluses, making it home to the largest Sovereign Wealth Funds (SWF).<sup>63</sup> The Kingdom is no longer considered just the leading oil exporter, but also a net investor in global markets. It controls significant global assets through its SWF (with the UAE).<sup>64</sup>

Saudi Arabia's commitment to the international development agenda and its goal of achieving the SDGs by 2030 are reflected in its actions not only at the national level but also internationally. It has contributed generously to the development efforts of low-income countries through humanitarian and development assistance. The Kingdom is the largest donor in the world in

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<sup>56</sup> UNDP, “The Next Frontier: Human Development and the Anthropocene”, Briefing note for countries on the 2020 Human Development Report, 3, available at:

<[http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/SAU.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/SAU.pdf)>

<sup>57</sup> It is considered the largest economy of an emerging regional block, the Gulf Cooperation Council (GCC) formed by Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, and the Saudis. It contributes to 49% of the total GDP of the economic bloc and 67% of the total population. ND Chauvin, *The Rise of the Gulf: Saudi Arabia as a Global Player*, Journal of Konrad-Adenauer-Stiftung, (2010), pp. 44-58, 45.

<sup>58</sup> UNDP, Saudi Arabia, available at:

<[https://www.sa.undp.org/content/saudi\\_arabia/en/home.html](https://www.sa.undp.org/content/saudi_arabia/en/home.html)>

<sup>59</sup> ND Chauvin, *The Rise of the Gulf: Saudi Arabia as a Global Player*, Journal of Konrad-Adenauer-Stiftung, (2010), pp. 44-58, 45.

<sup>60</sup> *ibid.*, 44.

<sup>61</sup> OECD, “Growth Building Jobs and Prosperity in Developing Countries” Department of International Development 2, available at: <<https://www.oecd.org/derec/unitedkingdom/40700982.pdf>>

<sup>62</sup> ND Chauvin, *The Rise of the Gulf: Saudi Arabia as a Global Player*, Journal of Konrad-Adenauer-Stiftung, (2010), pp. 44-58, 45.

<sup>63</sup> *ibid.*

<sup>64</sup> *ibid.*

various development sectors.<sup>65</sup> It has also directly assisted several developing countries in poverty alleviation, such as agriculture and food processing,<sup>66</sup> as well as various multilateral organizations and specialized agencies dealing with food security issues. In addition, in November 2009, Saudi Arabia donated \$500 million to the World Food Programme and the World Food Summit's sponsorship on Food Security in the Headquarters of Food and Agriculture Organization in 2009.<sup>67</sup> In 2016, to support the international community and address inequality, the government joined the international summit and adopted the UN SDGs. Saudi Arabia appears committed to achieving the 2030 Agenda for Sustainable Development and has taken action and innovative approaches to align the 2030 Agenda with Saudi Vision 2030 "and shares the same timeframe and ultimate goals with the SDGs agenda."<sup>68</sup>

Like most countries, the kingdom was affected by the COVID -19 pandemic. To date, 363,809 COVID -19 cases have been confirmed with 6,291 deaths.<sup>69</sup> As of 2020, the GDP of Saudi Arabia decreased by 3.7%. Aviation and tourism are among the industries still suffering in the kingdom.<sup>70</sup> The unemployment rate in Saudi Arabia increased from 11.8% in the first half of 2020 to 15.4% in the second half of 2020.<sup>71</sup>

Although the unemployment rate remains a challenge in the country, the government has introduced various social protection programs to reduce unemployment and protect citizens from poverty. For example, the Hafiz service has been introduced for job seekers, and unemployment insurance for those who can hardly be employed; the Sanad system is for those who can no longer work, and it takes care of Saudi workers and their families during this time; The Social Development Bank has also introduced an initiative called "Productive Families" to help families become self-sufficient and improve their livelihoods by financing micro-enterprises, "with

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<sup>65</sup> Saudi Arabia, *Transformation Towards Sustainable and Resilient Societies*, Sustainable Development Goals, 1st Voluntary National Review Kingdom of Saudi Arabia UN High-Level Political Forum, July 9-18, 2018 New York, 17, available at: <[https://sustainabledevelopment.un.org/content/documents/20230SDGs\\_English\\_Report972018\\_FINAL.pdf](https://sustainabledevelopment.un.org/content/documents/20230SDGs_English_Report972018_FINAL.pdf)>

<sup>66</sup> *ibid.*

<sup>67</sup> ND Chauvin, *The Rise of the Gulf: Saudi Arabia as a Global Player*, Journal of Konrad-Adenauer-Stiftung, (2010), pp. 44-58, 46.

<sup>68</sup> UN, Voluntary National Review 2018, available at:

<<https://sustainabledevelopment.un.org/memberstates/saudiarabia>>

<sup>69</sup> WHO, *Saudi Arabia*, (Jan. 11, 2021) <<https://covid19.who.int/region/emro/country/sa>>?

<sup>70</sup> For example, the first few months, oil revenues fell 24% in the first quarter of this year to 128.771 billion riyals, while non-oil revenues fall 17% to 63.3 billion riyals. Tuqa Khalid, "Coronavirus, oil crash impact on Saudi Arabia's economy to be felt from Q2: Minister" Al Arabiya English, May 3 2020, <<https://english.alarabiya.net/en/coronavirus/2020/05/03/Coronavirus-oil-crash-impact-on-Saudi-Arabia-s-economy-to-be-felt-from-Q2-Minister.html>> However, it is expected to grow 3.2% next year if the economy if the growth of economic activity continues. Arab News, "King Salman announces Saudi Arabia's \$264bn budget 'with health the priority,'" <<https://www.arabnews.com/node/1777876/business-economy>>

<sup>71</sup> General Authority of Statistics, available at:

<[https://www.stats.gov.sa/sites/default/files/LM\\_2Q2020%20%28Press%20release\\_EN%20%29.pdf](https://www.stats.gov.sa/sites/default/files/LM_2Q2020%20%28Press%20release_EN%20%29.pdf)>

interest-free loans to encourage them to do business and professions by themselves and for their own profit.”<sup>72</sup>

The Ministry of Human Resource and Social Development introduced the Service Programs, which provide a range of programs for social security recipients to help people get back to work, train them to be more independent, “and raise the quality of life and end poverty.”

The government has also expanded cash transfers to offset large-scale subsidy reforms (through the Citizen's Account Program)<sup>73</sup> based on by the number of dependents (such as the amount of children and wives) in the household.<sup>74</sup> These programs are not available in many parts of the world despite high unemployment rates. It has been noted that only about half of all countries have non-contributory programs for the unemployed. Saudi Arabia is one of the countries that have introduced “non-contributory unemployment benefit programs” this program largely benefited women.<sup>75</sup>

The social protection system in Saudi Arabia is based on the principles described in Basic Law of Governance. Article 27 discusses the government's role in providing social protection for all Saudi nationals and their families and to “encourage institutions and individuals to participate in charitable work.” Article 28 sets out the government's role in providing work opportunities “to every abled person” and the way laws will be enacted to protect employers and employees. The right to education is set out in Article 30. The right to health and the government's duty to provide for public health are stipulated in Article 31 as follows: “The State shall be concerned with public health and shall provide health care to every citizen and his family in the event of emergencies, sickness, disability and old age.” In addition, the laws in force in Saudi Arabia oblige State hospitals to provide necessary emergency medical care regardless of the nationality or legal status of the person requiring such care.<sup>76</sup>

The Ministry of Labor and Social Development, represented by the Social Security Agency with other government agencies and the nonprofit sectors, aims to develop and empower individuals and families who benefit from Social Security.<sup>77</sup> For example, they create appropriate work opportunities for Social Security beneficiaries through ongoing coordination with the Human Resources Development Fund. These efforts resulted in more than 22,000 Social Security

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<sup>72</sup> GOV.SA, “Social protection in KSA,”

[https://www.my.gov.sa/wps/portal/snp/aboutksa/SocialProtection!/ut/p/z/0/04\\_Sj9CPykssy0xPLMnMz0vMAfIjo8zivQN9DDycTAz9LZxCHQ0CA91MQyzMgo0NjMz0g1Pz9AuyHRUBHB5JZg!!/#:~:text=Social%20protection%20is%20the%20efforts,poverty%20and%20vulnerability%20and%20exclusion](https://www.my.gov.sa/wps/portal/snp/aboutksa/SocialProtection!/ut/p/z/0/04_Sj9CPykssy0xPLMnMz0vMAfIjo8zivQN9DDycTAz9LZxCHQ0CA91MQyzMgo0NjMz0g1Pz9AuyHRUBHB5JZg!!/#:~:text=Social%20protection%20is%20the%20efforts,poverty%20and%20vulnerability%20and%20exclusion)

<sup>73</sup> A C Machado, C Bilo, F V Soares, & R G Osorio, *Overview of non-contributory social protection programmes in the Middle East and North Africa (MENA) region through a child and equity lens*, (2018) International Policy Centre for Inclusive Growth and UNICEF Middle East and North Africa Regional Office, 18.

<sup>74</sup> *ibid.*, 34.

<sup>75</sup> *ibid.*, 26.

<sup>76</sup> CEDAW/C/SAU/3-4, 41.

<sup>77</sup> GOV.SA, “Social Protection in KSA” 10

<[https://www.my.gov.sa/wps/portal/snp/aboutksa/SocialProtection!/ut/p/z/0/04\\_Sj9CPykssy0xPLMnMz0vMAfIjo8zivQN9DDycTAz9LZxCHQ0CA91MQyzMgo0NjMz0g1Pz9AuyHRUBHB5JZg!!/#:~:text=Social%20protection%20is%20the%20efforts,poverty%20and%20vulnerability%20and%20exclusion](https://www.my.gov.sa/wps/portal/snp/aboutksa/SocialProtection!/ut/p/z/0/04_Sj9CPykssy0xPLMnMz0vMAfIjo8zivQN9DDycTAz9LZxCHQ0CA91MQyzMgo0NjMz0g1Pz9AuyHRUBHB5JZg!!/#:~:text=Social%20protection%20is%20the%20efforts,poverty%20and%20vulnerability%20and%20exclusion)>

beneficiaries in 2016.<sup>78</sup> The Citizen Account was introduced to compensate Saudi households for the costs of higher energy prices and other economic reforms. Close coordination with other cash transfer programs is ensured to ensure the overall effectiveness of social assistance.<sup>79</sup> In 2017, there were over 877,000 Saudi households (approximately 2,400,000 individuals) receiving free cash transfers.

Eligible for government assistance are orphans, the disabled, the elderly, unassisted women and unassisted families with a maximum monthly amount of 5,000 SR (for a family consisting of 15 persons) and a maximum one-time payment of 30,000 SR.<sup>80</sup>

However, as the Ministry of Economy and Planning described, there are challenges such as “a lack of a true understanding of the nature of poverty in the Kingdom.”<sup>81</sup> Thus if it is not adequately defined, it will be difficult for the government to address poverty. According to a report from the UN, there is a possible leakage in the beneficiary system where poor people and non-poor people benefit from cash transfers. Other problems include the lack of a shared vision between institutions, i.e., the private sector needs to be more involved, the “absence of arms-length monitoring and evaluation mechanisms across social protection programs,” and an absence of financial and social impact assessment.<sup>82</sup>

Finally, it is important to mention that the government's economic initiatives, such as addressing inequality and empowering women to participate in the labour force, are very important, because the reduction of poverty by the State depends on the extent to which the most vulnerable can participate in the growth process and share in its rewards.<sup>83</sup>

### 3 Measures in response to the COVID-19 pandemic

In 2020 COVID-19 devastated many countries and more than 50 million people around the world.<sup>84</sup> Governments around the world are operating in a context of “radical uncertainty” and are confronted with the difficult trade-offs of the health, economic and social challenges that these

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<sup>78</sup> *ibid.*

<sup>79</sup> “Socio-Economic Impact of COVID-19 in the Kingdom of Saudi Arabia and How to Build Back Better” Diagnostics Paper UN in KSA, November 2020, 86

<sup>80</sup> UN Human Rights Council, *Report of the Special Rapporteur on extreme poverty and human rights on his mission to Saudi Arabia*, 28 April 2017, A/HRC/35/26/Add.3, 7.

<sup>81</sup> P Alston, End of mission statement Special Rapporteur on extreme poverty and human rights, Professor Philip Alston on his visit to Saudi Arabia, United Nations Office of the High Commissioner of Human Rights, (Riyadh 2017) available at:

<<https://www.ohchr.org/SP/NewsEvents/Pages/DisplayNews.aspx?NewsID=21094&LangID=E>>

<sup>82</sup> *ibid.*

<sup>83</sup> OECD, *Growth Building Jobs and Prosperity in Developing Countries*, 2

<<https://www.oecd.org/derec/unitedkingdom/40700982.pdf>>

<sup>84</sup> OECD, *The territorial impact of COVID-19: Managing the crisis across levels of government*, Policy Responses to Coronavirus (COVID-19) (Updated 10 November 2020) 2.

<<http://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1/>>; See OECD (2020), OECD Economic Outlook, Interim Report September 2020, OECD Publishing, Paris, <https://dx.doi.org/10.1787/34ffc900-en>.

poses. Beyond the health and human calamity of the coronavirus, “it is now widely recognised that the pandemic triggered the most serious economic crisis since World War II”. It is estimated that it will take two years for economies to regain their 2019 production levels.<sup>85</sup>

Saudi Arabia has taken immediate measures to protect its citizens and residents’ health and safety and to ensure the availability of immediate financial resources.<sup>86</sup> The custodian of the Two Holy Mosques, King Salman bin Abdul Aziz, has ordered coronavirus treatment to be available for free to all citizens and expatriates in need of medical care, including those who have overstayed their visas.<sup>87</sup> Saudi Arabia employed a human rights approach to deal with the pandemic. His Royal Highness stated that residents’ and citizens’ health and safety are his highest priority.<sup>88</sup> This is also a concern for the Minister of Finance, Acting Minister of Economy and Planning. He stressed that “the health and safety of the Kingdom’s citizens and residents come first in the priorities of government’s actions” and that “the government will avail all the required appropriations for the health sector, to provide and deliver the necessary health services for prevention, treatment and control of infection.”<sup>89</sup>

Since the outbreak of the COVID -19 pandemic, the Kingdom has taken strict measures to protect the wages of more than 12 million foreign workers and about two million Saudi nationals working in the private sector.<sup>90</sup>

For example, the Saudi Arabian Ministry of Human Resources and Social Development issued several resolutions and directives dealing with measures regarding workers' rights during COVID -19. Article 41 was included in the Implementing Regulation of the Labour Law, which allows the employer and the employee - for six months - to reach one of the following agreements:

- Reduce salary provided there is a corresponding reduction in working hours;
- To place the employee on paid annual leave (as part of the leave entitlement); and
- To introduce a period of unpaid leave.<sup>91</sup>

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<sup>85</sup> *ibid.*

<sup>86</sup> Saudi Gazette, “King Salman orders treatment for all, including visa violators,” March 30, 2020, <<https://saudigazette.com.sa/article/591344>>; See also IMF, Policy response to Covid-19, (last updated January 8, 2021) <<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>>

<sup>87</sup> *ibid.*

<sup>88</sup> “The Saudi King reassured the nation of the government’s efforts to ensure the public’s needs are met: ‘Rest assured that we are very keen on providing the necessary medication, food, and living necessities for citizens and residents of this blessed land. All government sectors, led by the Ministry of Health, are doing all they can and taking all necessary measures to ensure the health of the nation’s citizens and residents,’” Tuqa Khalid, “Saudi King on coronavirus: We will provide all medicine, food, living needs,” March 19, 2020 <<https://english.alarabiya.net/en/News/gulf/2020/03/19/Saudi-Arabia-s-King-Salman-to-address-nation-on-coronavirus>>

<sup>89</sup> MOF, “With more than SAR 120 bn: Government of Saudi Arabia implements urgent measures to mitigate the impact of coronavirus on economic activities and private sector,” March 20, 2020, <[https://www.mof.gov.sa/en/MediaCenter/news/Pages/News\\_20032020.aspx#](https://www.mof.gov.sa/en/MediaCenter/news/Pages/News_20032020.aspx#)>

<sup>90</sup> Newsroom, “Saudi Arabia ratifies the Protection of Wages Convention,” December 9, 2020, available at: <<https://moderndiplomacy.eu/2020/12/09/saudi-arabia-ratifies-the-protection-of-wages-convention/>>

<sup>91</sup> *ibid.*

A financial stimulus package was introduced to support the private sector, reaching more than 70 billion SR to small and medium enterprises and economic activities that were most affected by the virus.<sup>92</sup> The package consists of exemptions and the deferral of some government levies to provide liquidity to the private sector to allow it to continue its economic activities.<sup>93</sup> The Saudi Central Bank (SAMA) put together a package of 50 billion SR to support the banking sector, financial institutions and small and medium enterprises. For instance, the government paid 60% of salaries in private sector industries affected by the pandemic for three months with a possible extension.<sup>94</sup> This will protect 1.2 million Saudis and will be administered through Sanad (the national unemployment assistance system).<sup>95</sup>

Other benefits provided include housing loans, unemployment, home furnishing and renovation, school bags and uniforms for students, electricity bills, people with disabilities, terminally ill patients, higher education assistance (normally public education is free for all Saudis), and emergency assistance for natural disasters. A Productive Family program, a series of loans from Social Development Bank and grants from National Charitable Fund are also provided.<sup>96</sup>

In the short term, the government is focused on “supporting the nation’s businesses through a global economic shock.” However, its long-term goals are listed in Vision 2030, whose overarching goal is for Saudi Arabia to be transformed into a thriving economy and export diversification (to ensure that the Kingdom limits its dependence on oil production), in 2018 oil production and export accounted for 43.5% of GDP.<sup>97</sup>

#### **4 Women's Rights in Saudi Arabia**

In the Arab region, although the situation varies in different parts of the Arab world, women are the most vulnerable to poverty.<sup>98</sup> In addition, ongoing conflicts and crises, whether humanitarian or economic, further discriminate against women and girls, and they bear a heavy burden in these situations.<sup>99</sup> According to ESCWA, women face many legal and economic barriers that include “restricted mobility, legal discrimination in personal status matters such as divorce and custody, an economic gender gap, an overwhelming burden of care and domestic work, limited participation

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<sup>92</sup> MOF, “With more than SAR 120 bn: Government of Saudi Arabia implements urgent measures to mitigate the impact of coronavirus on economic activities and private sector” March 20, 2020, available at: <[https://www.mof.gov.sa/en/MediaCenter/news/Pages/News\\_20032020.aspx#](https://www.mof.gov.sa/en/MediaCenter/news/Pages/News_20032020.aspx#)>

<sup>93</sup> *ibid.*

<sup>94</sup> *ibid.*

<sup>95</sup> Arabian Business Industry, “Saudi government to cover 60% of private sector salaries hit by Covid-19” April 3, 2020, available at: <<https://www.arabianbusiness.com/banking-finance/444303-saudi-government-to-cover-60-of-private-sector-salaries-hit-by-covid-19>>

<sup>96</sup> UN Human Rights Council, *Report of the Special Rapporteur on extreme poverty and human rights on his mission to Saudi Arabia*, 28 April 2017, A/HRC/35/26/Add.3, 7.

<sup>97</sup> Oxford Business Group, *Saudi Arabia maintains focus on long-term economic goals*, (2020) Available at: <<https://oxfordbusinessgroup.com/overview/staying-course-government-holds-steady-long-term-goals-while-mitigating-effects-recent-global>>

<sup>98</sup> ESCWA, *Arab Sustainable Development Report 2020* (UN, 2020) 76.

<sup>99</sup> *ibid.*

in political life and decision-making, and vulnerability to violence, among many others.”<sup>100</sup> There are many discriminatory laws, legal practices, and cultural and social norms that reinforce each other to varying degrees.<sup>101</sup>

Despite their productive role in society and the fact that there are more university-educated women than men in the Arab region, women are underrepresented both in the labour force and at “all levels of decision-making.”<sup>102</sup> At 15.6% in 2018, the unemployment rate for women was almost three times that of men (5.7%). ESCWA calls on States to “remove barriers to their full social, economic and political participation [are]fundamental to guaranteeing their human rights and achieving all 17 SDGs.”<sup>103</sup>

Saudi Arabia has taken many positive steps to promote women’s rights and advancement in the labour market. The Kingdom has ratified three conventions that promote gender equality. The United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) to which acceded by Saudi Arabia in 1978, promotes women’s rights and prohibits discrimination in the workplace. The Convention concerning Discrimination in Respect of Employment and Occupation or Discrimination (ILO Convention No.111)<sup>104</sup> signed by Saudi Arabia in 1958, requires ratifying states to adopt national labour policies free of discrimination. The Equal Remuneration Convention, 1951 (No. 100)<sup>105</sup> requires equal pay for work of equal value, regardless of gender (signed by Saudi in 1978). By acceding to these conventions, Saudi Arabia should implement the provisions and protect the rights of women, especially in the world of work. Thus, the government should enact laws that detail the violations of the Convention and the penalties that such violations entail must therefore be promulgated.<sup>106</sup>

As in the rest of the world, especially in the Arab world, the fact remains that the number of women in the labour market is small.<sup>107</sup> They still account for less than 15% of the national labour force; “this represents an enormous source of untapped potential for the Kingdom, whose labour force currently relies heavily on expatriates.”<sup>108</sup> Consequently, the Kingdom's economic and social development is significantly inhibited.<sup>109</sup> It is therefore recommended that the Kingdom uses Vision 2030 as a transformative opportunity to improve gender equality.<sup>110</sup>

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<sup>100</sup> *ibid.*

<sup>101</sup> *ibid.*

<sup>102</sup> *ibid.*

<sup>103</sup> *ibid.*

<sup>104</sup> Adopted on 25 June 1958 by the General Conference of the International Labour Organisation, Entry into force: 15 June 1960.

<sup>105</sup> Adopted on 29 June 1951 by the General Conference of the International Labour Organisation at its thirty-fourth session, Entry into force: 23 May 1953, in accordance with article 6

<sup>106</sup> CEDAW, *Concluding observations on the combined third and fourth periodic reports of Saudi Arabia*, CEDAW/C/SAU/3-4, 27

<sup>107</sup> See <http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=SAU>

<sup>108</sup> Booz & Company, 1.

<sup>109</sup> See <http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=SAU>

<sup>110</sup> UN, *Report of the Special Rapporteur on extreme poverty and human rights on his mission to Saudi Arabia*, Human Rights Council Thirty-fifth session 6-23 June 2017 Agenda item 3 (28 April 2017) A/HRC/35/26/Add.3,13.



Saudi Vision 2030 considers Saudi women “a great asset” and highlights the role of the Government to assist and develop their talents and invest in their productive capabilities for them to contribute to society and the economy. The objectives of the Saudi Vision 2030 consist of empowering women and providing the environment and services that will help them in performing their national responsibilities.<sup>111</sup>

The World Bank’s “Women, Business and the Law 2020” study examines how law affects women at different stages of life in over 190 economies, “from the basics of transportation to the challenges of starting a job and getting a pension.”<sup>112</sup> Based on the study, Saudi Arabia’s economy scored 70.6 out of 100, a dramatic increase from its previous score of 31.8.<sup>113</sup> The Kingdom has implemented reforms in six of the eight indicators in the two years covered by the index.<sup>114</sup> These reforms are driven by the understanding that women play an essential role in bringing Saudi Arabia closer to its “Vision 2030,” increasing women’s participation in the labour force from 22% to 30%.<sup>115</sup>

Women's participation in commercial life has steadily increased in parallel with the progress women have made in education, employment and health, and “with the increase in financing services provided to women by the public and private sectors.”<sup>116</sup> The percentage of women involved in commercial activities has increased, with Saudi women now owning 267,446 businesses.<sup>117</sup> Through its 26 branches, the Social Development Bank has funded women's businesses on an equal footing with men's businesses. Women own 19.2% of the businesses.<sup>118</sup> Loans taken out for women-owned businesses account for 21% of total loans.<sup>119</sup> The share of bank loans increased to 15% in 2014 from 9.1% in 2008. Women hold 14% of positions in enterprises and have received 236 training opportunities.<sup>120</sup> Several government initiatives have been launched that focus on job creation and training for both men and women. For example, Human Resource Development Fund (HADAF) aims to increase employment opportunities for Saudi women through agreements with private sector companies. The fund has created employment for more than 4,120 Saudi women.<sup>121</sup>

Recently, laws and decrees are being amended to promote women's rights and ensure that discrimination against women is eliminated. Crown Prince Mohammed bin Salman has made

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<sup>111</sup> SPA, “Saudi woman .... Basic pillar in advancing development, building society,” <https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2078489>

<sup>112</sup> World Bank, *Women, Business and the Law 2020*, (Washington, DC: World Bank 2020), ii. Available at: <<https://openknowledge.worldbank.org/handle/10986/32639>>

<sup>113</sup> *ibid.*

<sup>114</sup> *ibid.*, 11

<sup>115</sup> *ibid.*

<sup>116</sup> CEDAW/C/SAU/3-4, 45.

<sup>117</sup> CEDAW/C/SAU/3-4, 45, see also, Olivia Cuthbert, “Saudi women seize new business opportunities” Arab News, November 1, 2017 <<https://www.arabnews.com/node/1185726/business-economy>>

<sup>118</sup> CEDAW/C/SAU/3-4, 45.

<sup>119</sup> *ibid.*

<sup>120</sup> *ibid.*

<sup>121</sup> Booz & Company, 7.

women's rights a high priority.<sup>122</sup> Of the more than 60 recent decisions to improve human rights in the Kingdom, 22 affected women.<sup>123</sup> Laws include the Personal Status Act, the Travel Document Act, the Labour Law, and the Social Security Law.<sup>124</sup> There are also many procedures and policies that have been revised and amended to ensure gender equality.<sup>125</sup> In addition, there has been an increase in the number of women's entrepreneurial activities made possible by laws prohibiting gender discrimination in access to financial services. According to the World Bank, these reforms build on other historic changes in Saudi Arabia that allowed women to vote and run in municipal elections for the first time in 2015 and gave women the right to drive in 2017.<sup>126</sup>

The laws include the Personal Status Act, the Travel Documents Act, the Labour Act, and the Social Security Act.<sup>127</sup> There are also many procedures and guidelines that have been revised and amended to ensure gender equality.<sup>128</sup> In addition, the amount of women's entrepreneurship that is possible by the laws prohibiting gender-based discrimination in accessing financial services was increased. According to the World Bank, these reforms "build on other historic changes in Saudi Arabia, which in 2015 for the first time allowed women to vote and run as candidates in municipal elections and in 2017 gave women the right to drive."<sup>129</sup>

The most important developments are Royal Decree No. M/134, promulgated on 27 Dhu'lqa'dah A.H. 1440 (30 July 2019), which authorizes the amendment of several laws as follows:<sup>130</sup>

- Travel Documents Act: The amendments include the same legal requirements for men and women to obtain a passport and travel, without women requiring permission or consent from their male guardian.
- Personal Status Act: Among the most important amendments to the law is the deletion of the sentence "The place of residence of a married woman is the residence of her husband if they continue to engage in sexual relations" in Article 30, allowing women to live freely.

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<sup>122</sup> For example see, Alarabiya, "Mohammed bin Salman on Saudi women's rights and the guardianship laws" 03 April 2018 <<https://english.alarabiya.net/en/features/2018/04/03/Mohammed-bin-Salman-on-Saudi-women-s-rights-and-the-guardianship-laws>>

<sup>123</sup> Arab News, "Rights chief highlights Saudi Arabia's moves to improve human rights situation," November 25, 2019, <<https://www.arabnews.com/node/1589231/saudi-arabia>>

<sup>124</sup> CEDAW, *Information received from Saudi Arabia on follow-up to the concluding observations on its combined 3rd and 4th periodic reports: Committee on the Elimination of Discrimination against Women*, CEDAW/C/SAU/FCO/3-4, (30 April 2020), 2.

<sup>125</sup> CEDAW/C/SAU/FCO/3-4, 2.

<sup>126</sup> World Bank, *Women, Business and the Law 2020*, (Washington, DC: World Bank 2020), 11. Available at: <<https://openknowledge.worldbank.org/handle/10986/32639>>. See also B 20, *Women in Business, Policy Paper 2020*, (B20 2020) <<https://www.b20saudiarabia.org.sa/wp-content/uploads/2020/09/B20-Women-in-Business-Policy-Paper-17092020-1752.pdf34>>

<sup>127</sup> CEDAW, *Information received from Saudi Arabia on follow-up to the concluding observations on its combined 3rd and 4th periodic reports: Committee on the Elimination of Discrimination against Women*, CEDAW/C/SAU/FCO/3-4, (30 April 2020), 3.

<sup>128</sup> *ibid.*

<sup>129</sup> World Bank, *Women, Business and the Law 2020*, (Washington, DC: World Bank 2020), 11. Available at: <<https://openknowledge.worldbank.org/handle/10986/32639>>.

<sup>130</sup> CEDAW/C/SAU/FCO/3-4, 6.

- Labour Law (Royal Decree No. M/51): The law was amended to “guarantee equal rights, duties and [working] conditions [...] for men and women.” Article 3 is amended to include “all citizens shall have the right to work and not to be discriminated against on the basis of sex, and that the retirement age of 60 years shall apply to men and women alike.” The amendments also prohibit the dismissal or threat of dismissal “a woman employee while she is pregnant or on maternity leave, or in the event of illness during either period.”<sup>131</sup>

- Social Security Act: Article 38 was amended to set the retirement age at 60 for both men and women.

- Road Traffic Act and its Implementing Regulation: The Royal Decree promulgated on 26 September 2017 states that the provisions of the “new road traffic system and its implementing regulation” include the issuance of driving licenses on an equal basis for men and women. As a such, women have been legally allowed to drive since June 10, 2018. As of January 2020, 174,624 driving licenses have been issued to women.<sup>132</sup>

In 2018, the government further criminalized sexual harassment in the public and private sectors.<sup>133</sup> These are all groundbreaking reforms that have enabled women to have greater economic opportunity in the country. Women now hold key positions in the government, such as appointed officials in the Shurah Council, diplomats, and in municipalities. Women can hold power in the Kingdom, which is highly commendable. Saudi Arabia remains committed to strengthening and protecting women's rights by enacting important legislation and taking effective executive actions.<sup>134</sup>

However, the Kingdom still faces challenges concerning women's rights, and these challenges weigh even heavier for women living in poverty.<sup>135</sup> Cultural traditions and local customs, for example, play an important role in a country's economic development and “creat[e] a unique set of opportunities and challenges that both inform and constrain labo[u]r policie[s].”<sup>136</sup> As a nation that deeply values family and tradition, “the Kingdom has been hesitant to fully embrace any development that appears to threaten the traditional family unit.”<sup>137</sup> Women's role in society was seen primarily as caretaker and homemaker, and many did not want their wives, daughters, etc. to participate in the workforce. Although many Saudi men welcome the possibility of women contributing economically, others are opposed.<sup>138</sup>

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<sup>131</sup> CEDAW/C/SAU/FCO/3-4, 5.

<sup>132</sup> CEDAW/C/SAU/FCO/3-4, 6.

<sup>133</sup> World Bank, *Women, Business and the Law 2020*, (Washington, DC: World Bank 2020), 11. Available at: <<https://openknowledge.worldbank.org/handle/10986/32639>>

<sup>134</sup> CEDAW/C/SAU/3-4, 51.

<sup>135</sup> UN GA, Report of the Special Rapporteur on extreme poverty and human rights on his mission to Saudi Arabia: comments by the State, Human Rights Council Thirty-fifth session 6-23 June 2017 Agenda item 3, A/HRC/35/26/Add.5, 17.

<sup>136</sup>Booz & Co., *Women's Employment in Saudi Arabia: A Major Challenge*, (2010) 10. Available at: <[https://www.arabdevelopmentportal.com/sites/default/files/publication/235.womens\\_employment\\_in\\_saudi\\_arabia\\_a\\_major\\_challenge.pdf](https://www.arabdevelopmentportal.com/sites/default/files/publication/235.womens_employment_in_saudi_arabia_a_major_challenge.pdf)>

<sup>137</sup> *ibid.*

<sup>138</sup> *ibid.*

Therefore, the government and the Saudi Human Rights Commission both play a crucial role in developing awareness of women's rights and spreading a culture of human rights. For example, the Human Rights Commission under articles 1, 2, and 12 of its statute has taken various measures to spread awareness of women's rights and to ensure that their rights are in fact rooted in the Shariah.<sup>139</sup> The Commission also addressed negative cultural stereotypes that have a negative impact on women's rights and freedoms. These measures include holding events, conferences, symposia, workshops, and training sessions for various social groups, including judges, prosecutors, police officers and government employees.<sup>140</sup>

These are all crucial initiatives, as raising awareness of women's rights in the Kingdom is essential to ensuring that they themselves understand their rights and are less likely to fall victim to cultural dogma. In addition to ensuring that women's rights are protected, more laws have been enacted due to the government's efforts to ensure that women have a greater role in society and the economy.

## 5 Key challenges

One of the main barriers for many governments in the Arab region to tackle poverty is the collection of statistics. According to a report from the UN, there is a problem in the Arab region in collecting information to provide measurements and data to determine who is poor and how poor they are. This information is needed to provide appropriate and inclusive policy responses. ESCWA notes that the measurement and monitoring of poverty in the region is problematic for the following two reasons: quality of data collection and frequency and periodicity. For example, surveys are not comprehensive enough, capacity to manage and analyze data is limited, and “the lack of data disaggregated by [gender], age or migration status, [among others], is a serious blind spot.”<sup>141</sup> As well as the characteristics and limitations of “global measures [in] assessing poverty in a diverse region.”<sup>142</sup>

A report published by the World Bank states that poverty information and access to survey data in Saudi Arabia to measure welfare conditions have been limited.<sup>143</sup> More recently, administrative capacity to identify and assist low-income households has been strengthened.<sup>144</sup> Authorities must rely on imperfect household surveys to estimate the number of poor people and assess the impact of the proposed social protection system.<sup>145</sup> According to Special Rapporteur Report on extreme poverty and Human Rights, in 2018, given the impact of Vision 2030 on Saudi society, there was a lack of transparency about poverty and related challenges, which it sees as highly problematic

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<sup>139</sup> CEDAW/C/SAU/3-4, 27.

<sup>140</sup> *ibid.*, 28.

<sup>141</sup> UN ESCWA, 16.

<sup>142</sup> *ibid.*

<sup>143</sup> World Bank, “Saudi Arabia” <http://pubdocs.worldbank.org/en/646161603047333684/pdf/15-mpo-am20-saudi-arabia-sau-kcm.pdf>

<sup>144</sup> *ibid.*

<sup>145</sup> UN Human Rights Council, *Report of the Special Rapporteur on extreme poverty and human rights on his mission to Saudi Arabia*, 28 April 2017, A/HRC/35/26/Add.3, 6.

for several reasons. For example, accurate data is essential to assess the expected and actual impact of Vision 2030 policies on the poor to prioritise poverty reduction policies.<sup>146</sup>

In Saudi Arabia, while data availability and quality have improved over the years, analysis of Vision 2030 with the SDGs revealed that data is not available in certain areas.<sup>147</sup> Improved methodologies and data collection systems are needed to address these gaps and ensure that critical measures are included in official indicators.<sup>148</sup> One of the key priorities identified in this paper is the need to strengthen data collection systems and the capacity of statistical agencies.<sup>149</sup> Multidimensional poverty measures are essential to address multiple deprivations that are underutilized. As a result, ESCWA notes that policymakers in the Arab world are less able to assess deprivation in terms of skills or access to quality services and to link the implementation of SDG 1 to the other goals.<sup>150</sup> Poverty lines used for international comparisons can capture the extreme levels of poverty in least developed countries without creating gaps in policy response and undermining national efforts to measure and address poverty.<sup>151</sup>

Another key challenge is the protection of minority rights. The countries of the Gulf Cooperation Council (GCC) are home to more than 30 million migrants, representing 51 percent of the total GCC population. In 2019, these migrants sent home \$115 billion in remittances.<sup>152</sup> The migrants include people from Pakistan, India, Philippines, Syria, Yemen, Myanmar (Rohingya Muslim), Palestine and other developing countries. Temporary Contractual Workers make up more than 30% of the population of Saudi Arabia and 80% of the private sector workforce.<sup>153</sup> Low-wage and irregular migrant workers are disproportionately affected by COVID -19. These individuals are particularly vulnerable to losing their jobs and, to avoid this, accepting pay cuts or unpaid leave.<sup>154</sup> Temporary Contractual Workers are less likely to have access to paid sick leave and unemployment benefits.<sup>155</sup>

Temporary Contractual Workers are reported to have significant deficiencies in occupational health and safety, as well as a lack of adequate housing and shelter. During the COVID- 19 pandemic, these foreign workers are more vulnerable to infection with COVID -19 because they live in communal facilities and amenities. Although free medical treatment for COVID -19 is

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<sup>146</sup> *ibid.*

<sup>147</sup> MoEP, (Minister of Economy and Planning, *Towards Saudi Arabia's sustainable tomorrow*, First Voluntary National Review 2018 – 1439, Kingdom of Saudi Arabia, UN High-Level Political Forum 2018, "Transformation towards sustainable and resilient societies" July 9-18, 2018 (New York 2018) 28.

<sup>148</sup> *ibid.*

<sup>149</sup> *ibid.*

<sup>150</sup> UN ESCWA, 16.

<sup>151</sup> *ibid.*

<sup>152</sup> Michal Rutkowski and Johannes Koettl "Saudi Arabia Announces Major Reforms For Its Migrant Workers" (December 18, 2020) <<https://blogs.worldbank.org/peoplemove/saudi-arabia-announces-major-reforms-its-migrant-workers>>

<sup>153</sup> *Socio-Economic Impact of COVID-19 in the Kingdom of Saudi Arabia and How to Build Back Better* Diagnostics Paper UN in KSA, (November 2020) 86.

<sup>154</sup> *ibid.*

<sup>155</sup> World Bank, *Coping with a Dual Shock: COVID-19 and Oil Prices*, MENA Brief, ( April 14, 2020) 86 <<https://www.worldbank.org/en/region/mena/brief/coping-with-a-dual-shock-coronavirus-covid-19-and-oil-prices>>

available, including for undocumented migrants, some are reluctant to seek treatment from the health care system for fear of retribution or deportation.<sup>156</sup>

The government has been very active in improving migration management, introducing many new policies aimed at protecting Temporary Contractual Workers from exploitation and abuse and facilitating their access to public services and legal mechanisms.<sup>157</sup>

The Labour Reform Initiative was first launched by the Ministry of Human Resources and Social Development on November 4, 2020 and will enter into force on March 14, 2021. The law is applied to all foreign employees working in the private sector.<sup>158</sup> The Labour Reform aims to give foreign workers greater freedom of occupational mobility and reduce restrictions on leaving and re-entering the Kingdom.<sup>159</sup> Foreign workers will be less vulnerable to exploitation and abuse and have better living and working conditions Saudi Arabia. The IOM considers these reforms a step in the right direction.<sup>160</sup>

## 6 Conclusion

Despite many obstacles, especially the COVID -19 pandemic, Saudi Arabia's socio-economic reform agenda and the policies and measures adopted since 2016 have shown consistent progress. All areas of socio-economic development have been improved, with significant improvements in several human development indicators, particularly living standards, health, and education performance.<sup>161</sup> A number of social protection programs have been introduced to provide monetary support; the Citizen Account program, social assistance for the most vulnerable such as the disabled and elderly, and support for women.<sup>162</sup> The government has invested substantial resources in health and education as the country has a good level of health and education.<sup>163</sup> As mentioned above, the government has introduced various royal decrees and reformed many laws, including the Saudi Labour law to empower women and improve their status in society.

It is also important to mention that Saudi Arabia has also been a long-time supporter of international development, joining the UN to end world hunger and support social and economic development projects. It has provided development and humanitarian assistance to many

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<sup>156</sup> TRT World, "Gulf Coronavirus Racism Scandals Shine Light on Conditions for Migrants", April 17, 2020 <<https://www.trtworld.com/magazine/gulf-coronavirus-racism-scandals-shine-light-on-conditions-for-migrants-35494>>

<sup>157</sup> *ibid.*, 87.

<sup>158</sup> IOM, "IOM Welcomes the Launch of Labour Reforms in the Kingdom of Saudi Arabia" (Nov 5, 2020) <<https://www.iom.int/news/iom-welcomes-launch-labour-reforms-kingdom-saudi-arabia>>

<sup>159</sup> *ibid.*

<sup>160</sup> *ibid.*

<sup>161</sup> UNDP, Saudi Arabia, [https://www.sa.undp.org/content/saudi\\_arabia/en/home/countryinfo/#Challenges](https://www.sa.undp.org/content/saudi_arabia/en/home/countryinfo/#Challenges)

<sup>162</sup> MoEP, (Minister of Economy and Planning, *Towards Saudi Arabia's sustainable tomorrow*, First Voluntary National Review 2018 – 1439, Kingdom of Saudi Arabia, UN High-Level Political Forum 2018, "Transformation towards sustainable and resilient societies" July 9-18, 2018 (New York 2018) 164.

<sup>163</sup> *ibid.*

developing countries and vulnerable communities around the world.<sup>164</sup> The Kingdom is considered the fourth largest aid donor in the world.<sup>165</sup>

However, according to a report from the UN, the government needs a holistic policy reform to directly implement the goals outlined in Saudi Vision 2030 and developmental pillars such as migration, women empowerment, security, and data collection.<sup>166</sup> As mentioned earlier, one of the key priorities is the need to strengthen data collection systems and the capacity of statistical agencies.<sup>167</sup> Solutions should be designed to address these problems from a “systemic perspective, rather than sector by sector, to provide the most comprehensive and prudent solutions,” especially those resulting from the pandemic.<sup>168</sup> These problems are reported to have been present before COVID -19 but were heightened by the pandemic.<sup>169</sup> These issues are also a problem in the region, and the Kingdom can be a “proactive champion” to address these types of problems and “overcome these systemic concerns if it is to recover better and encourage other nations in the region to follow suit.”<sup>170</sup> Eliminating discrimination and exclusion, reducing vulnerabilities and inequalities, and promoting the potential of all individuals could be possible with a more effective policy reform.<sup>171</sup>

Coordination between different actors and sectors is seen as a major challenge for the Kingdom. This means that all actors should unite in a comprehensive approach and ensure that sustainable development is not just a matter for specialized focal points designated for sustainable development, but rather a matter for the whole government.<sup>172</sup> This underscores the need for strong coordination between government and non-government institutions to “ensure synergy rather than duplication of efforts.”<sup>173</sup> Coordination is a difficult task, and efforts and resources are needed to strengthen existing coordination mechanisms and adapt them to enable the government to achieve its Sustainable Development Goals and Vision 2030.

As the UN Special Rapporteur on Extreme Poverty and Human Rights rightly states, poverty is a political choice. Its eradication requires different government strategies such as centering the role of government, harmonizing the relationship between growth and poverty eradication, requesting universal social protection, and adjusting international poverty measurement.<sup>174</sup> Governments

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<sup>164</sup> *ibid.*, 165

<sup>165</sup> *ibid.*

<sup>166</sup> UN Saudi Arabia, *Socio-Economic impact of COVID-19 in the Kingdom of Saudi Arabia and how to Build Back Better*, Diagnostics Paper UN in KSA, (November 2020) 132.

<sup>167</sup> MoEP, (Minister of Economy and Planning, *Towards Saudi Arabia’s sustainable tomorrow*, First Voluntary National Review 2018 – 1439, Kingdom of Saudi Arabia, UN High-Level Political Forum 2018, "Transformation towards sustainable and resilient societies" July 9-18, 2018 (New York 2018) 28.

<sup>168</sup> UN Saudi Arabia, *Socio-Economic impact of COVID-19 in the Kingdom of Saudi Arabia and how to Build Back Better*, Diagnostics Paper UN in KSA, (November 2020) 132.

<sup>169</sup> *ibid.*

<sup>170</sup> *ibid.*

<sup>171</sup> *ibid.*

<sup>172</sup> *Sustainable Development Goals 1st Voluntary National Review Kingdom of Saudi Arabia* UN High-Level Political Forum 2018 “Transformation towards sustainable and resilient societies” July 9-18, 2018 New York, (UN 2018), 28.

<sup>173</sup> *ibid.*

<sup>174</sup> *The parlous state of poverty eradication Report of the Special Rapporteur on extreme poverty and human rights*, Human Rights Council forty-fourth session June 15 –July 3, 2020 Agenda item 3 Promotion and

around the world must provide various income support mechanisms to help workers against the risk of unemployment. Labour market policies must protect workers in the formal and informal sectors.<sup>175</sup> Some of the strategies proposed by the OECD Secretary-General to reduce inequalities are the following: “create more productive and rewarding jobs”, invest in education and skills development “to promote employment and employability”, and reform tax and benefit policies that can also improve income distribution.<sup>176</sup> Even though some of the above mentioned strategies are already in place in the Kingdom, they are still essential and can help reduce national poverty and inequality.

Overall, the Kingdom's national sustainable development agenda and political commitment to its implementation can be seen in the strategies and policies adopted since 2016, especially since the launch of Saudi Vision 2030. The Vision provides a solid foundation for the implementation of the 2030 Agenda for Sustainable Development.<sup>177</sup> As noted above, there is considerable alignment between the SDGs and Vision 2030, and it is reported that many SDGs targets are included in the Vision 2030 agenda. Finally, the Kingdom is facing an unprecedented global pandemic that poses various health and economic challenges and social uncertainties. Despite these challenges the Kingdom has made significant progress in introducing laws and policies aimed at reducing inequalities and improving the socio-economic status of the most vulnerable. Nevertheless, as discussed in the paper, there is still a long way to go for all countries to eliminate poverty and inequality from society. The author believes that the Kingdom is taking a step in the right direction

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protection of all human rights, civil, political, economic, social, and cultural rights, including the right to development, (July 2, 2020) A/HRC/44/40, 1.

<sup>175</sup> OECD, Opening Remarks by Angel Gurría, OECD Secretary-General, delivered at the Kapuscinski Development Lectures in “Tackling Inequalities in Development Policies,” Sciences Politiques, (Paris, September 18, 2013) <<https://www.oecd.org/about/secretary-general/tackling-inequalities-in-development-policies.htm>>.

<sup>176</sup> *ibid.*

<sup>177</sup> MoEP, (Minister of Economy and Planning), *Towards Saudi Arabia's sustainable tomorrow*, First Voluntary National Review 2018 – 1439, Kingdom of Saudi Arabia, UN High-Level Political Forum 2018, "Transformation towards sustainable and resilient societies" July 9-18, 2018 (New York 2018)164.