MEASURING THE IMPACT OF COVID-19 ON THE MENA REGION: LABOUR MARKET, FIRMS AND HOUSEHOLDS

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Tunisia COVID-19 Country Case Study

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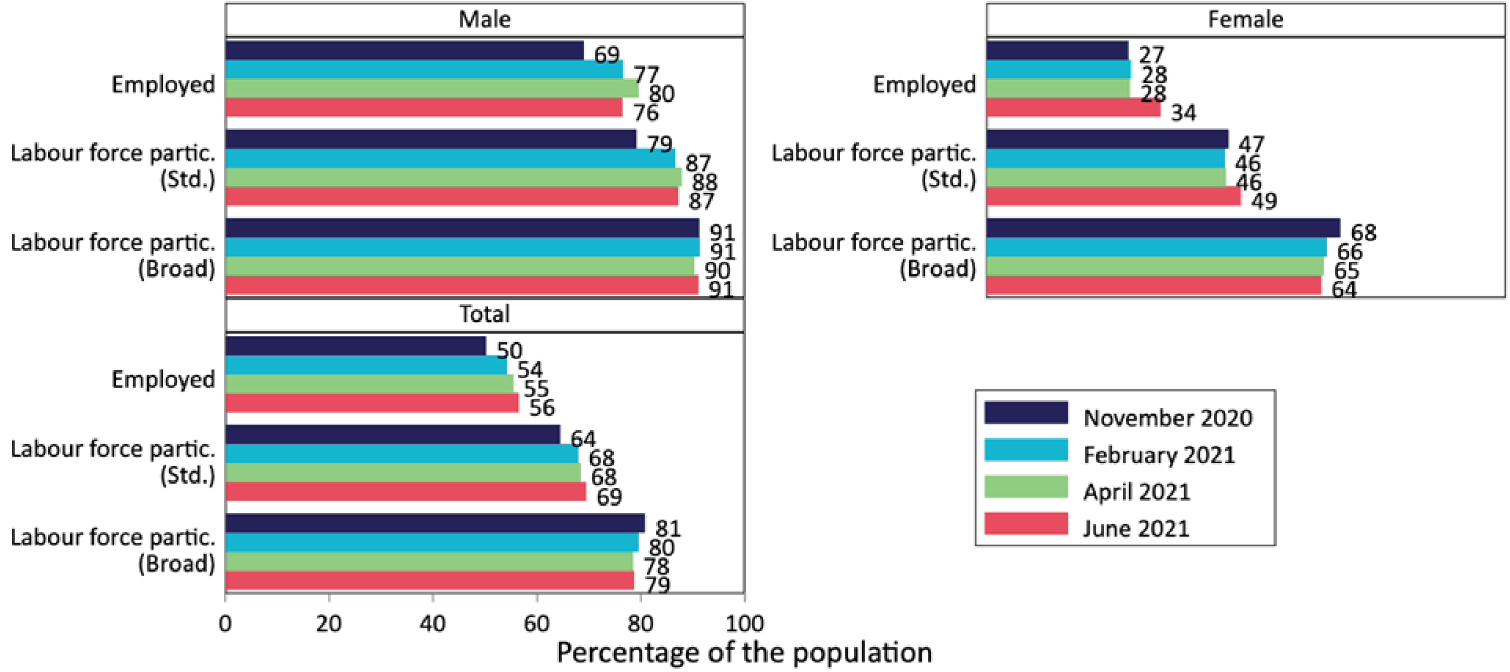
Tunisia: COVID-19 and Labour Market Context

- Tunisia’s experience with the COVID-19 pandemic is marked by the deadly summer of 2021
  - Cases and deaths below regional averages at the start of the pandemic
  - Large waves in late 2020 and in July-August 2021.
  - The acceleration of the vaccination campaign substantially attenuated the crisis.
- Most affected economy in the region
  - Contraction of 9% in 2020: spring lockdown and trade openness of the Tunisian economy, large role of services and its exposure to global value chains and tourism shocks.
  - Political instability, with three Governments since the start of the health crisis
  - Tunisia’s economy was struggling before COVID (1,4% growth in 2019)
  - High rates of pre-pandemic unemployment and NEET

Labour force participation and employment rates recovered through June 2021

Labour force participation rates (standard and broad) and employment-to-population ratio (percentages), by sex and wave



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Source: ERF COVID-19 MENA Monitor Household Survey for February and June 2021. Baseera, June 2020 Poll of Effects of COVID-19 on Egypt.

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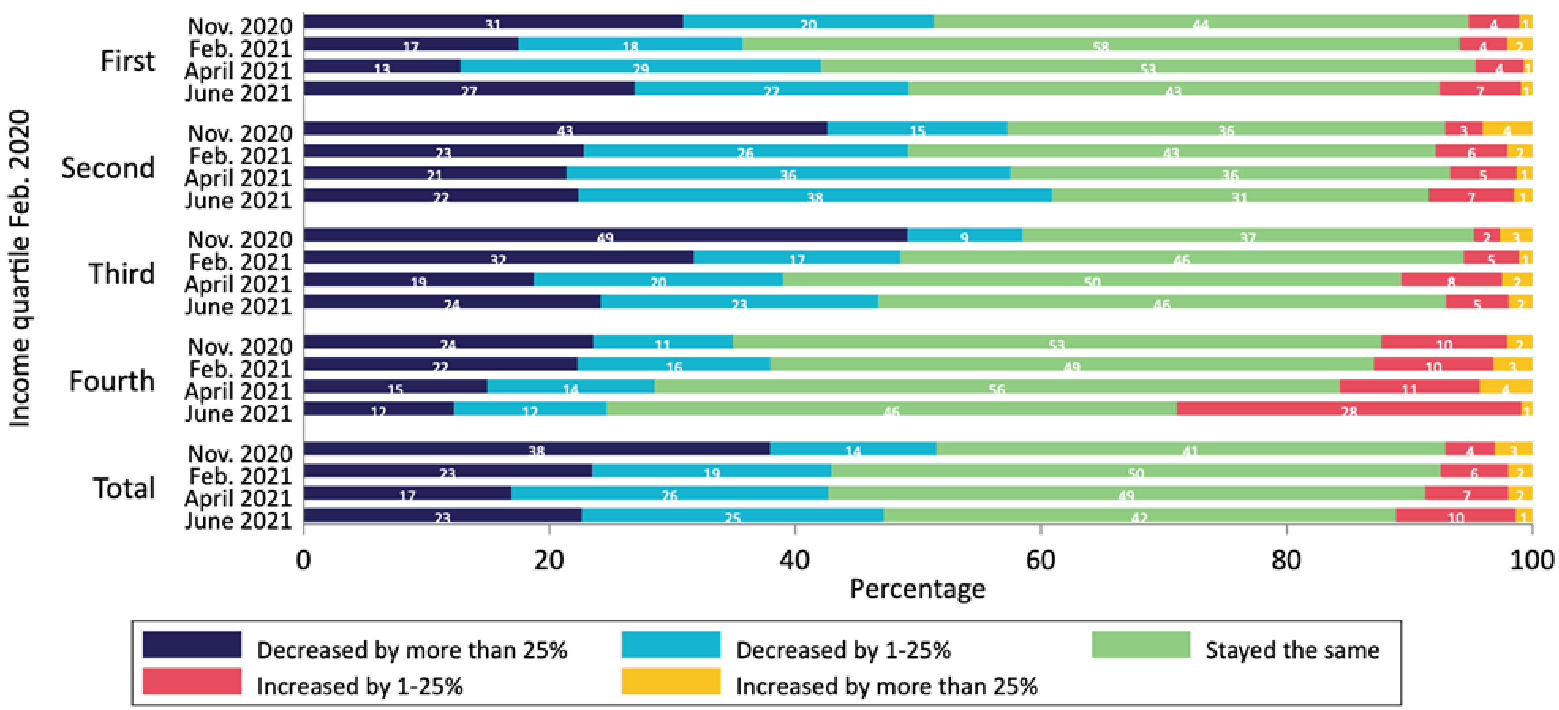
Initial shock mainly on Third and Second quartiles

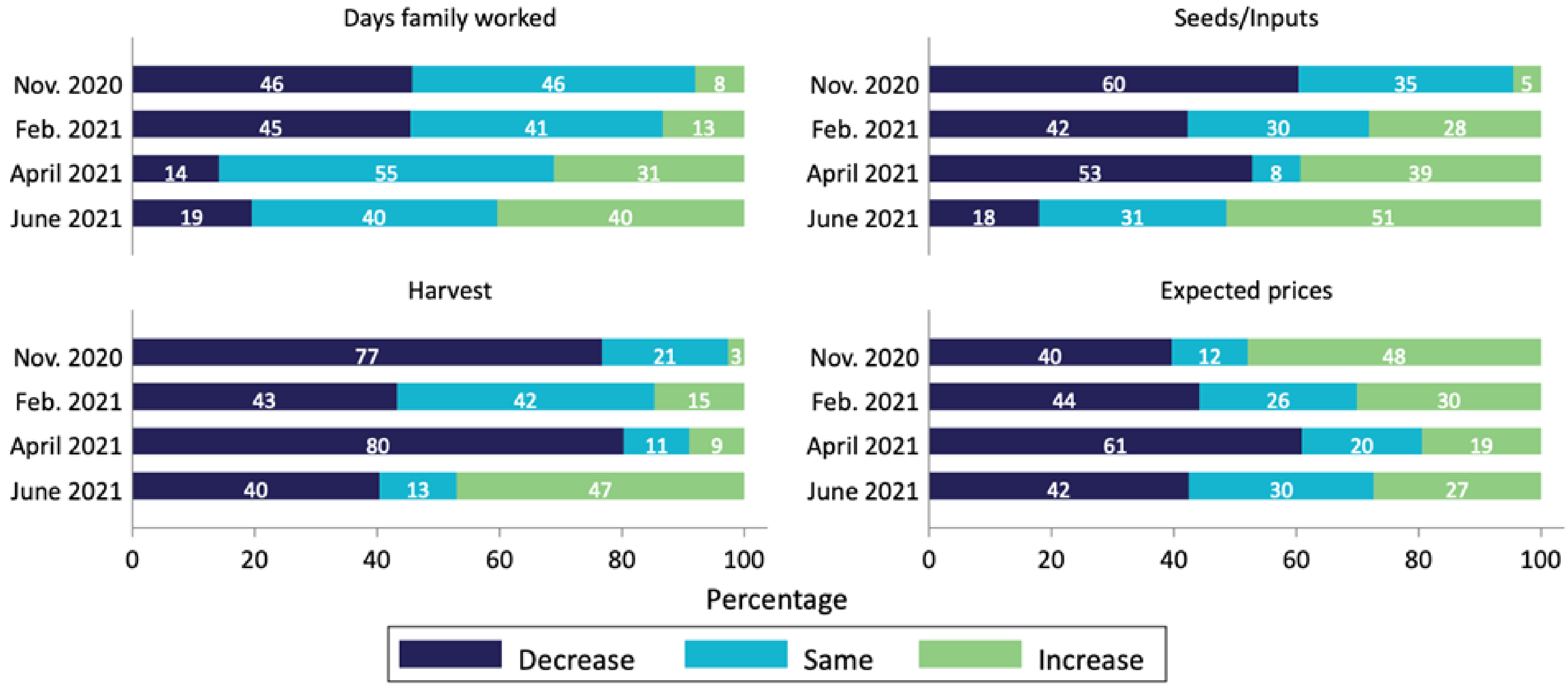
Improvement of the situation until April 2021, then reversal particularly for the poorest quartile

Changes in household income from February 2020 to wave (percentage of households), by income quartile in February 2020 and wave



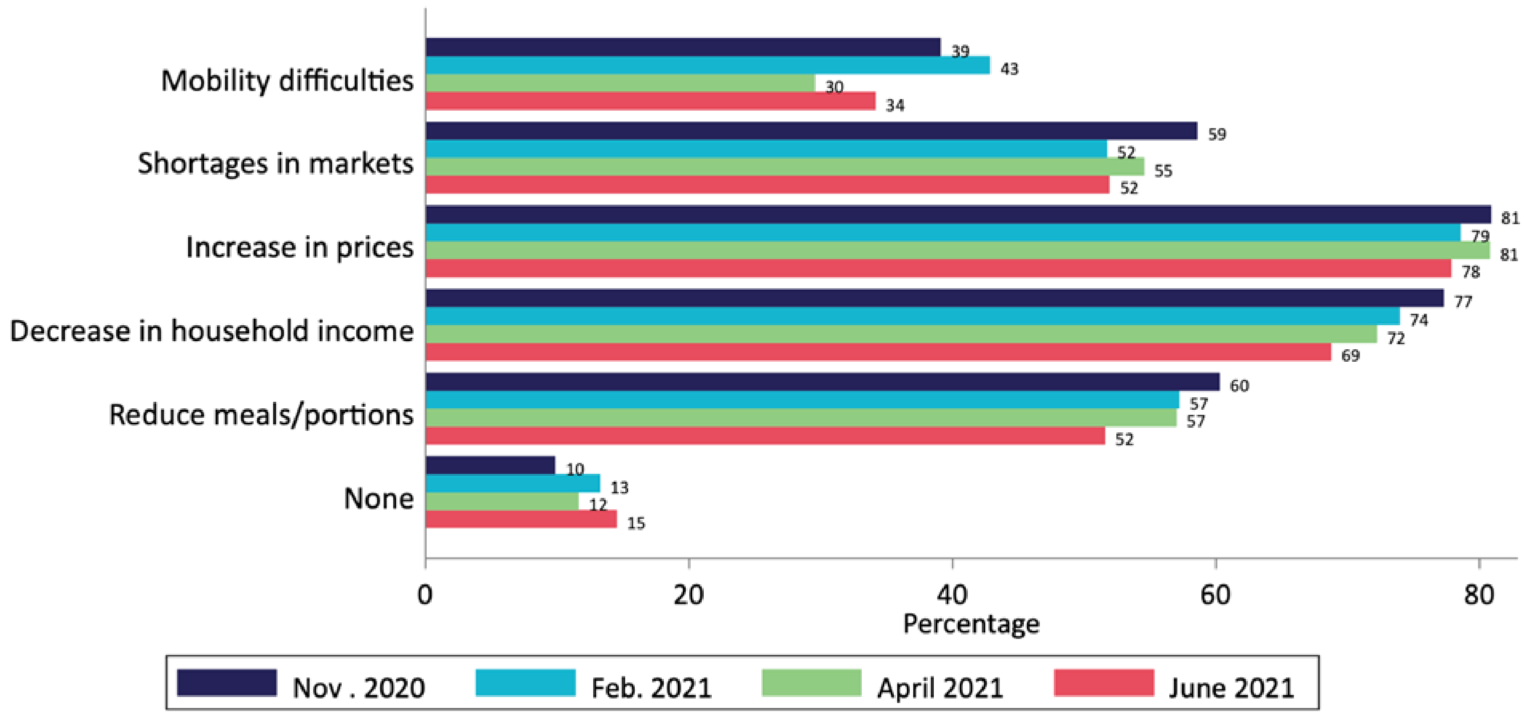
Farmers have struggled, slight improvement in June 2021

Farmers' experiences compared to the 2019 season (percentages), by wave



Food insecurity improved slightly, but difficulties related to price increases and household income remain high

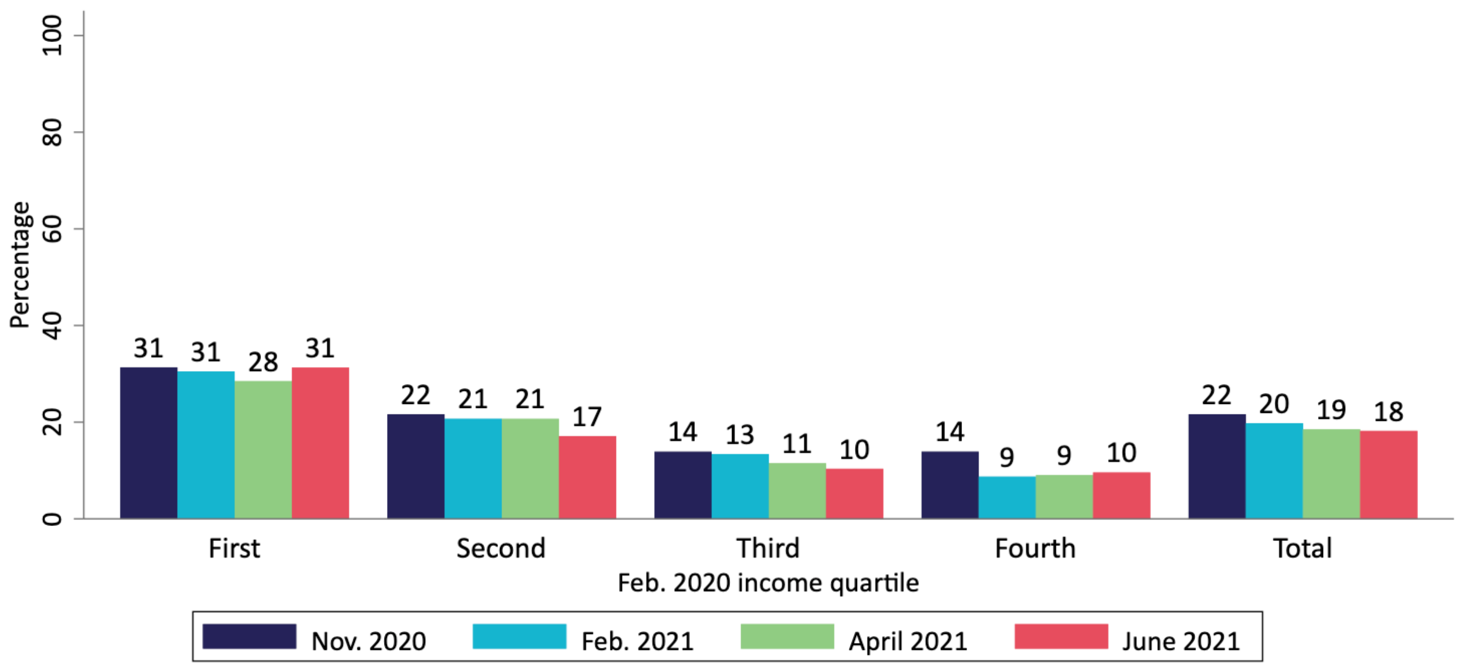
Household food insecurity (percentage of households), by wave



Source: ERF COVID-19 MENA Monitor Household Survey for February and June 2021

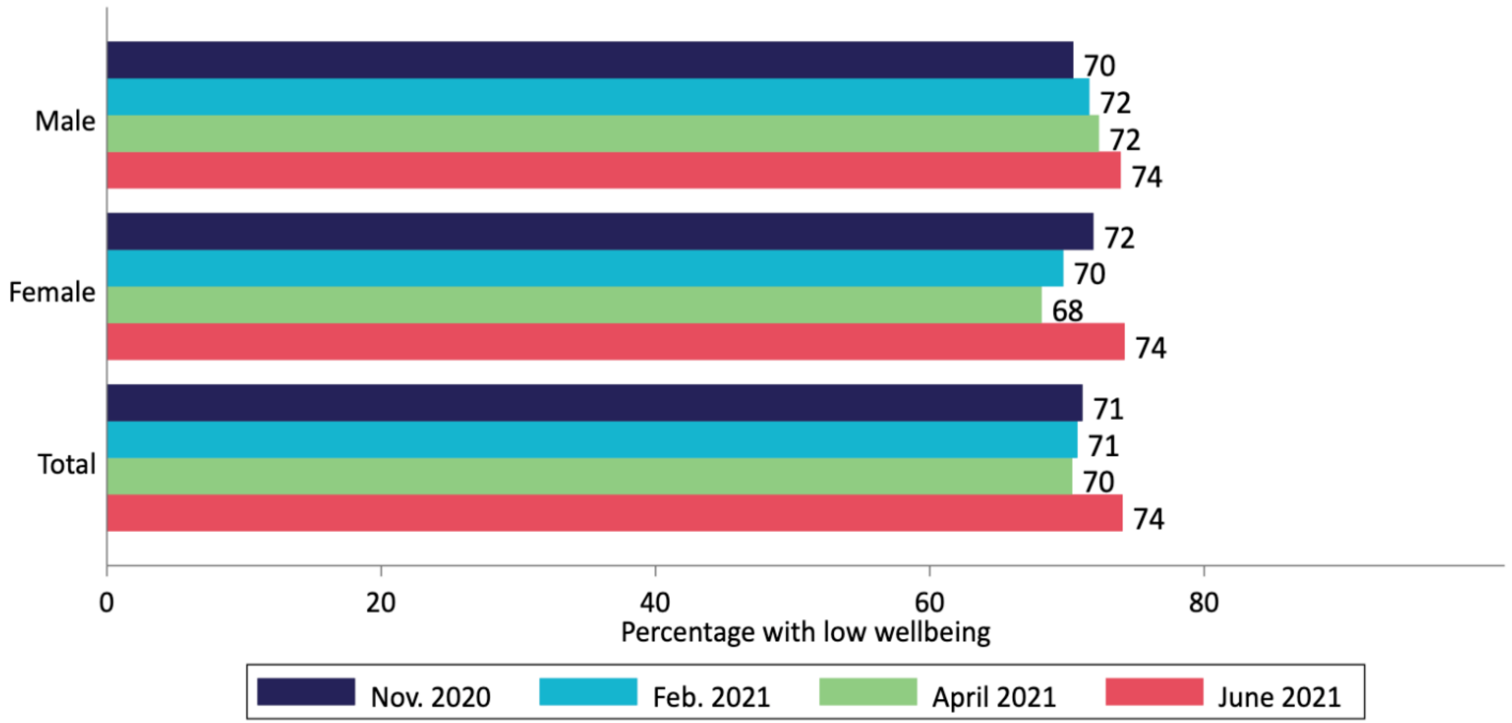
Receipt of social assistance stable for the first quartile and reduction for the others

Receiving government assistance (percentage of households), by February 2020 income quartile and wave (not including food ration cards)



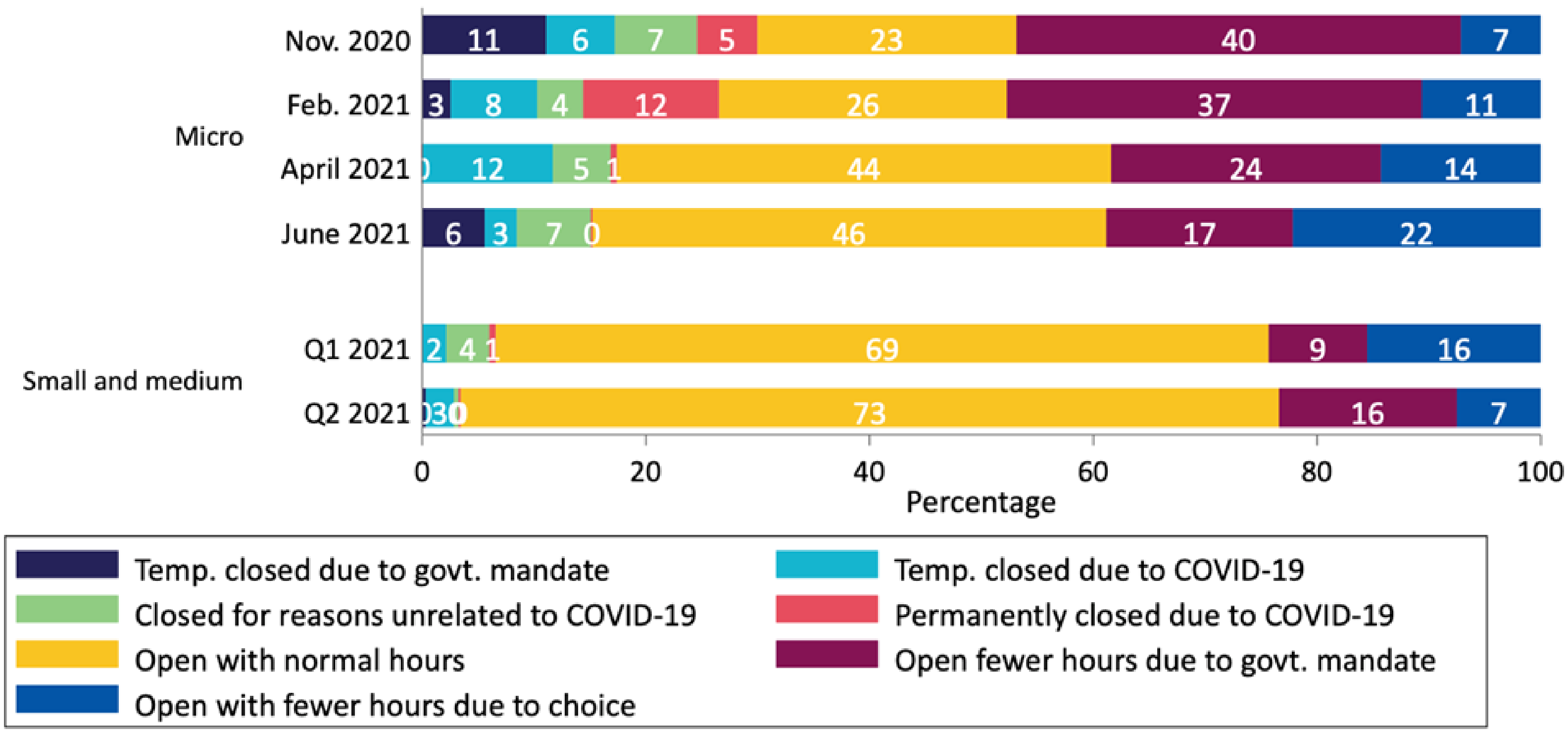
Rates of low wellbeing are very high and have increased from February to June 2021

Rates of Low Wellbeing among individuals (percentage), by sex and wave (WHO-5 scale)



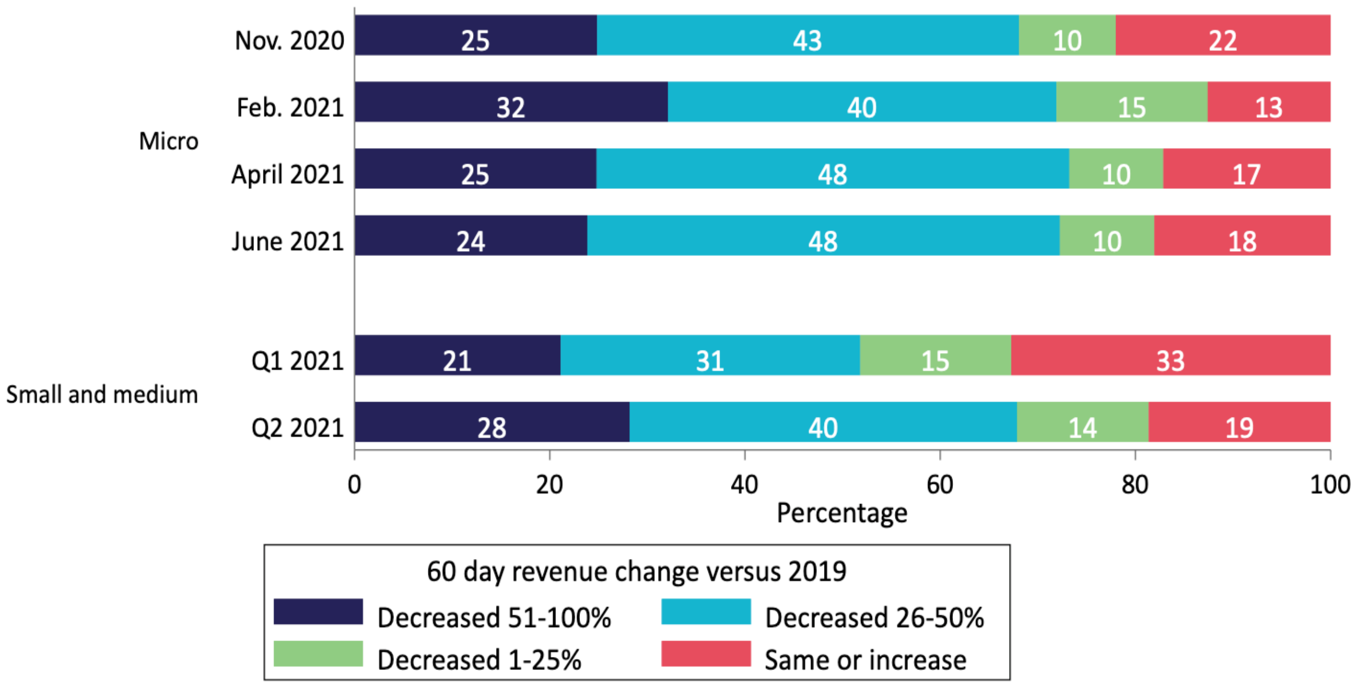
Enterprises are increasingly open with normal hours, but microenterprises less able than SMEs

Operational status of enterprises (percentage), by size and wave



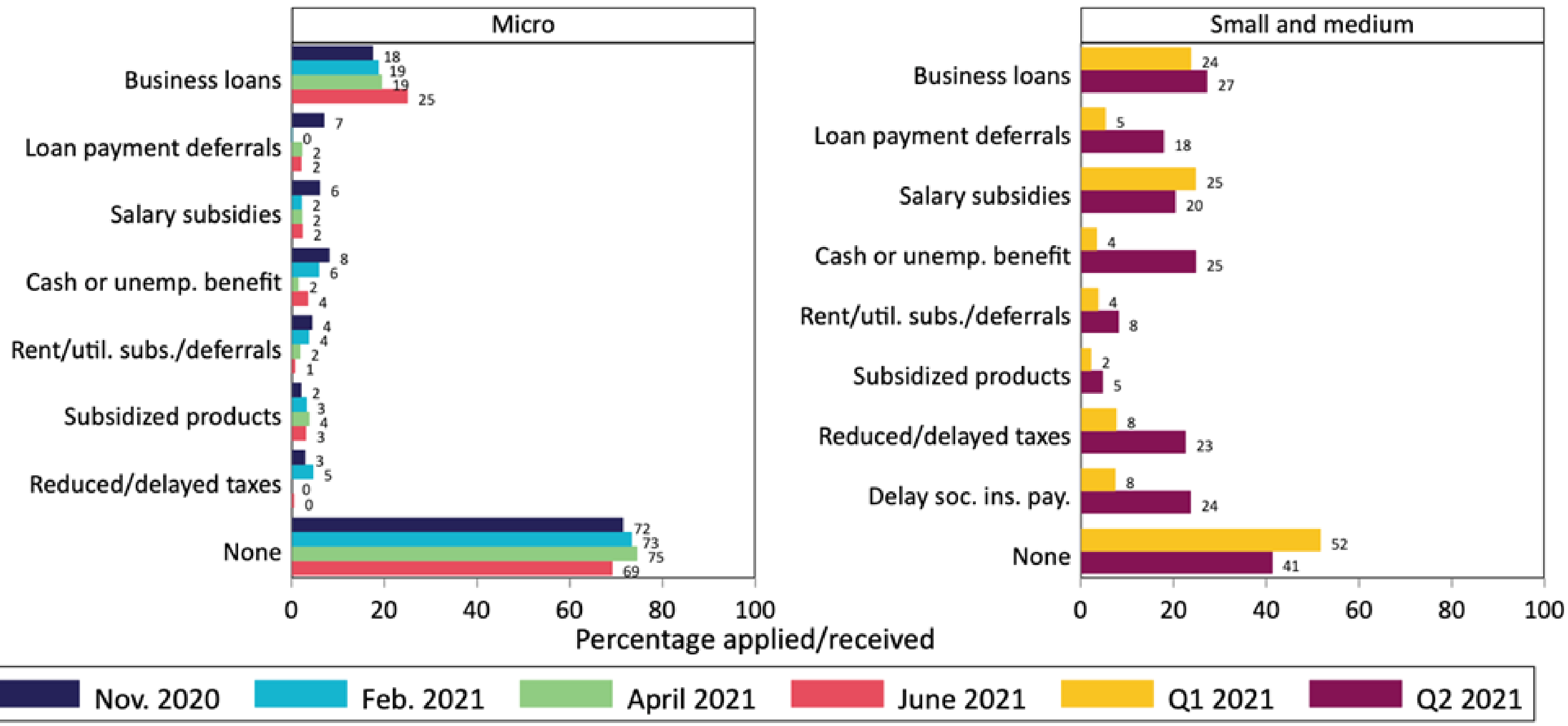
The share of enterprises reporting large declines in revenues has not improved over time

Revenue changes of enterprises, past 60 days compared to same season in 2019 (percentage), by size and wave



Three quarters of micro, and half of SMES did not apply for or receive any government support. Most frequently received assistance was business loans

Government programs received or applied for (percentage), by size and wave



Key takeaways

- Initial less severe experience with the COVID-19 pandemic, but the delay in vaccination led to the deadly 2021 summer
- SMEs had fewer closures than Microenterprises and applied and received for more government support
- Improvement in labour market indicators from November 2020 to June 2021, driven by men in February and April 2021 and women in June 2021
- Formal sector workers, especially public sector workers, were substantially shielded from negative labour market effects of pandemic
- Informal and self-employed workers were particularly vulnerable to reductions in income (more persistent for self-employed)
- Only 10 to 15 per cent of households reported being food secure. Between 50 and 60 per cent of households had to reduce meals and portions.
- Levels of low household wellbeing high and rising through the first half of 2021

Thank you for your attention!

Questions?!

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