

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

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Preliminary Findings: The Second Report on Jobs and Growth in North Africa in the COVID-19 Era

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COVID-19, Growth, and Labour Market Context



- Countries had varying experiences of the pandemic
 - Virus (cases, deaths)
 - Policy responses
 - Lockdowns, social assistance, economic and business support
 - Targeting of policies
 - Economic impact
- Experiences also depended on pre-pandemic labor market and economic structures
 - For example, role of tourism, exports, pre-pandemic growth
- And other simultaneous challenges
 - Political, foreign exchange challenges in Sudan



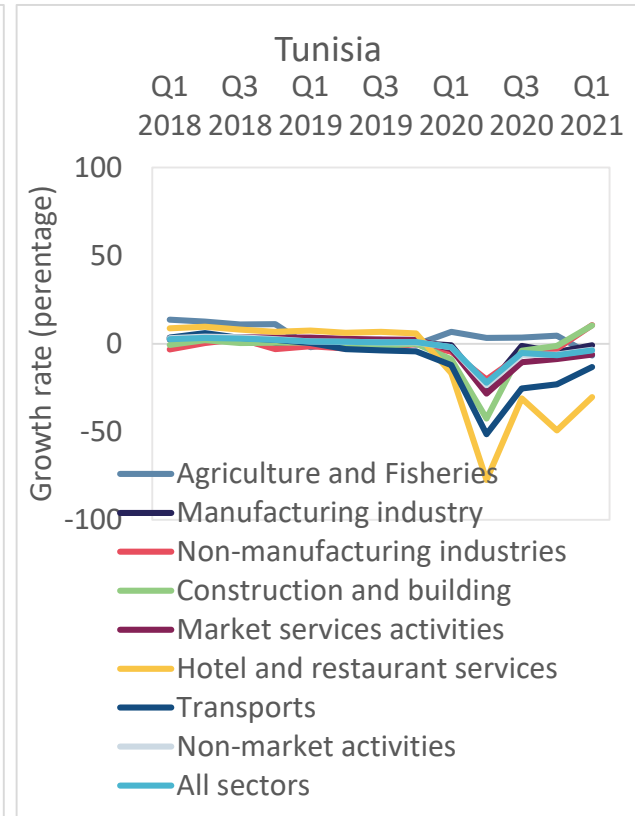
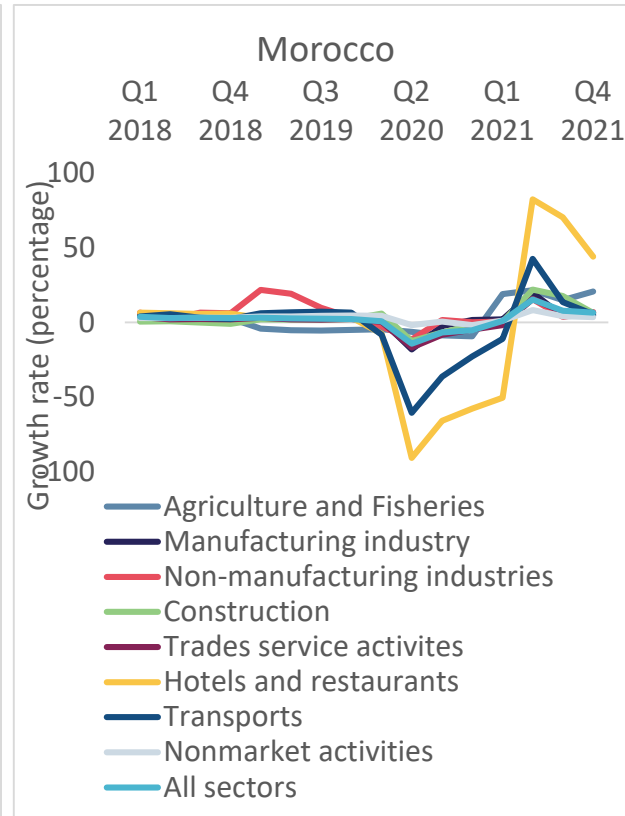
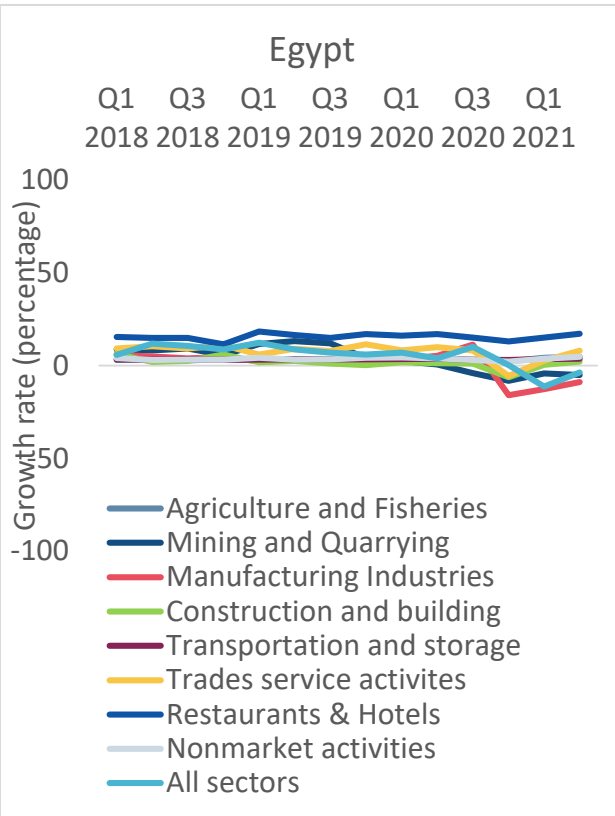
Growth



Growth faltered, with varying impacts by sector, and some recovery



Quarterly gross domestic product growth rates (percentage versus same quarter the previous year), by economic activity and country, constant prices, 2018-2021





Labor market trends

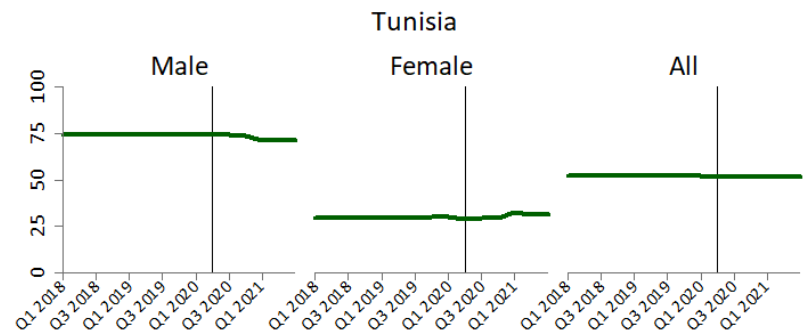
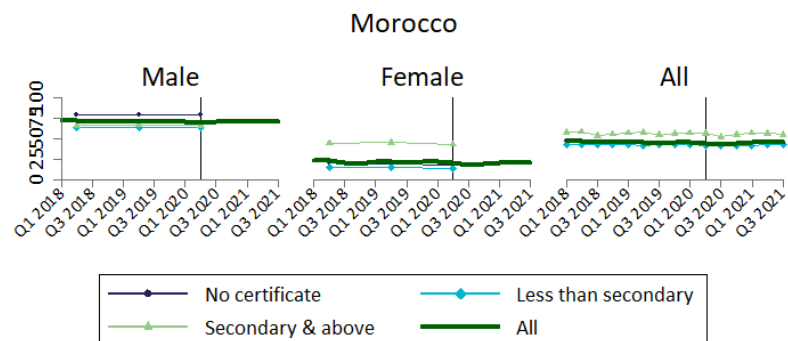
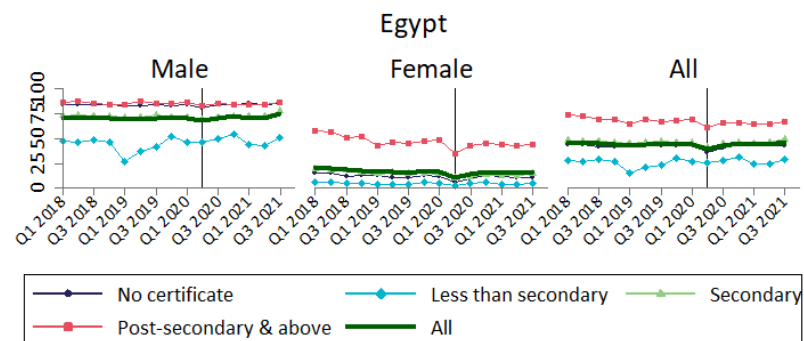
Official labor force statistics



Labor force participation dipped during initial lockdowns, but has mostly recovered



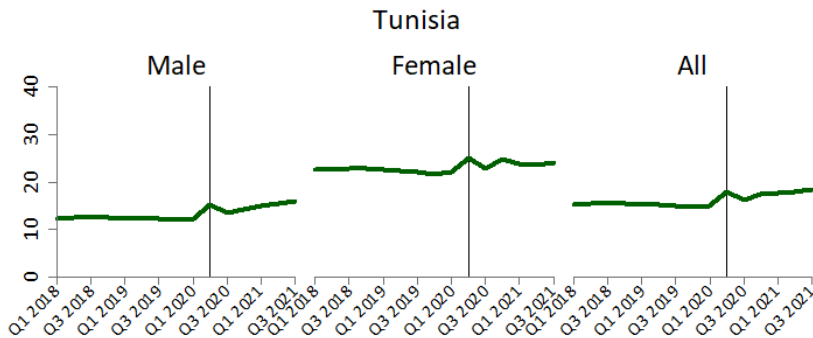
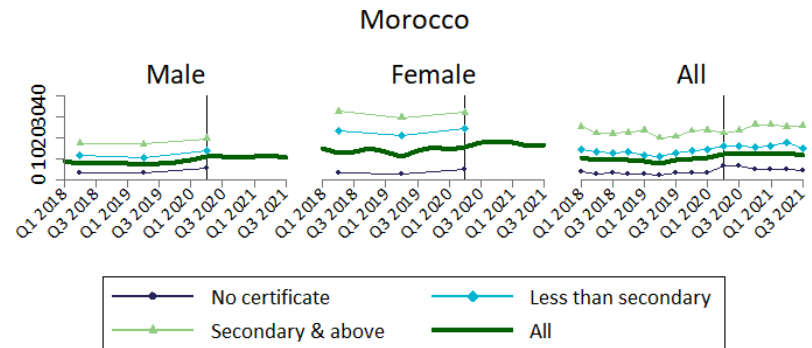
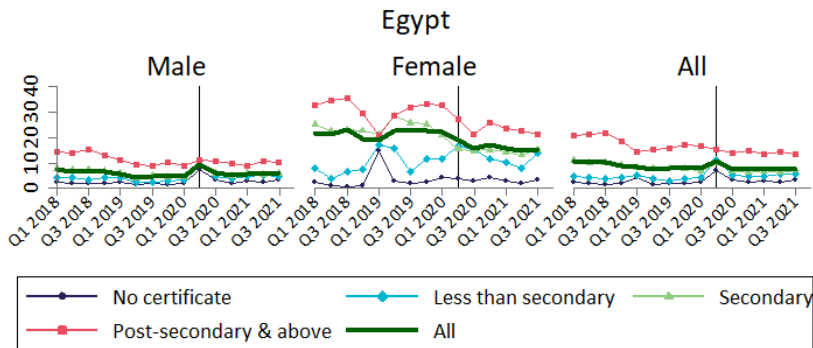
Quarterly labour force participation rate (percentage), by gender and education, 2018-2021



Unemployment spiked, with country- and gender-specific recovery



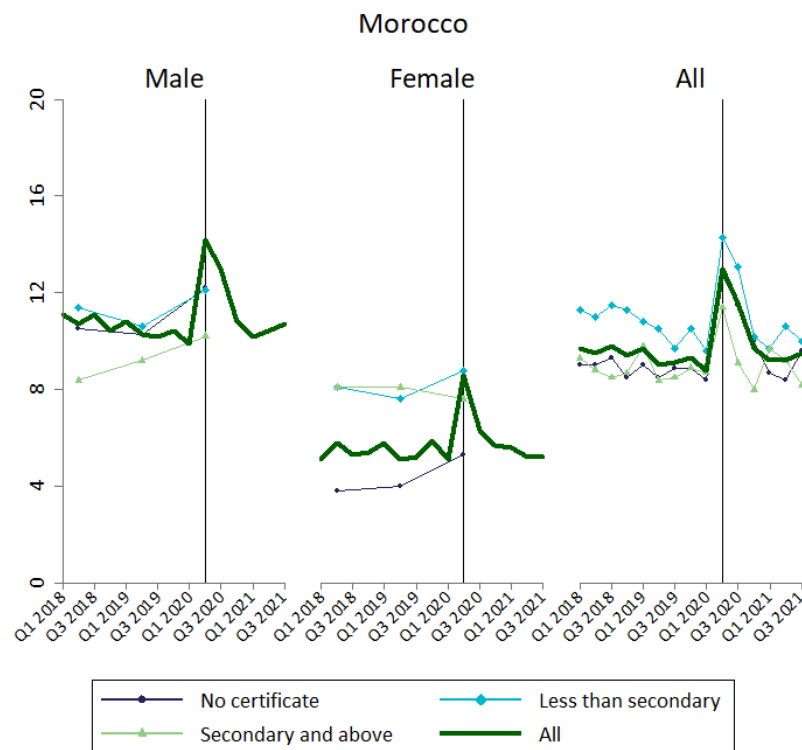
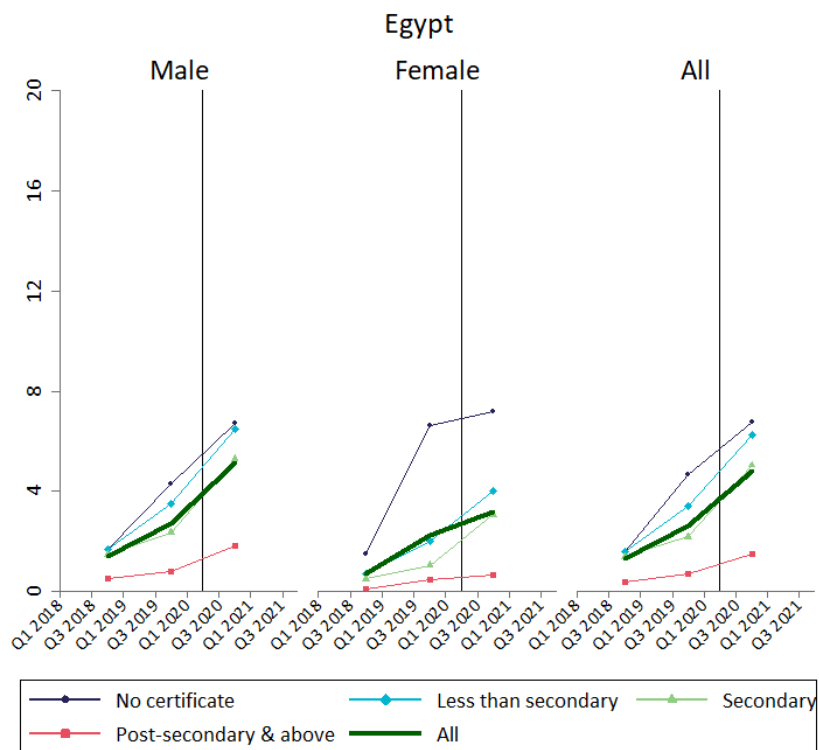
Quarterly unemployment rate rate (percentage), by gender and education, 2018-2021



Time-related underemployment rose with more persistence



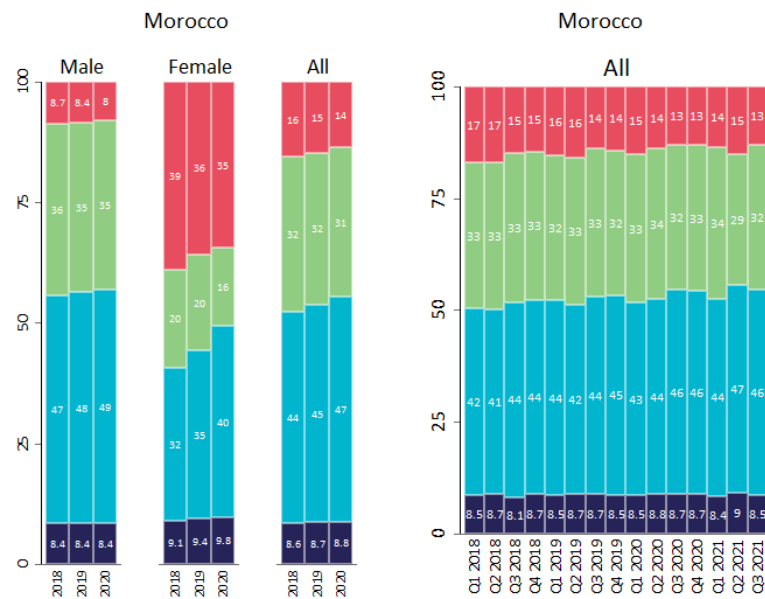
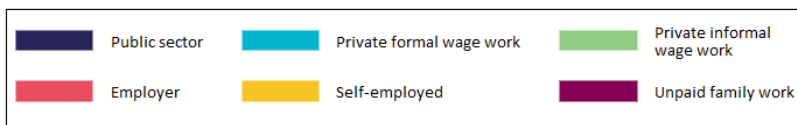
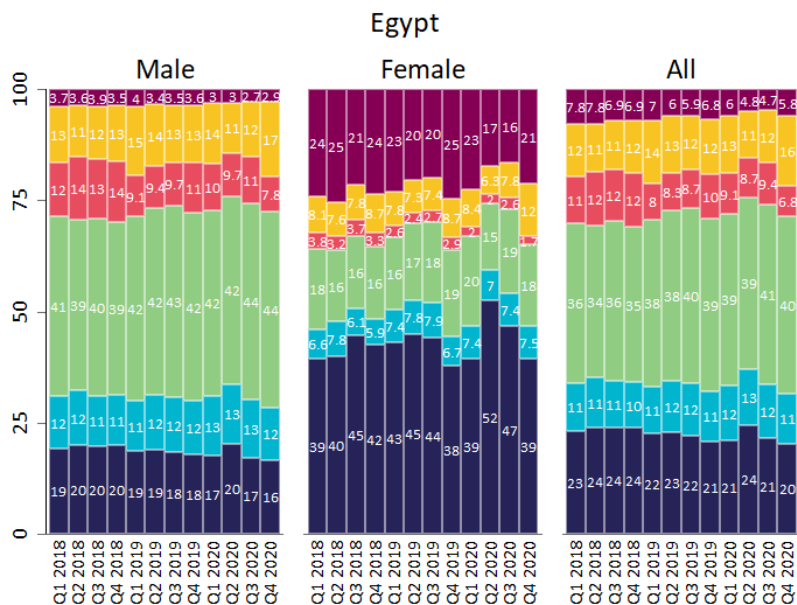
Quarterly time-related underemployment rate rate (percentage), by gender and education, 2018-2021



Persistent employment structures



Employment share (percentage) by type of employment and gender, 2018-2021





Labor market impacts

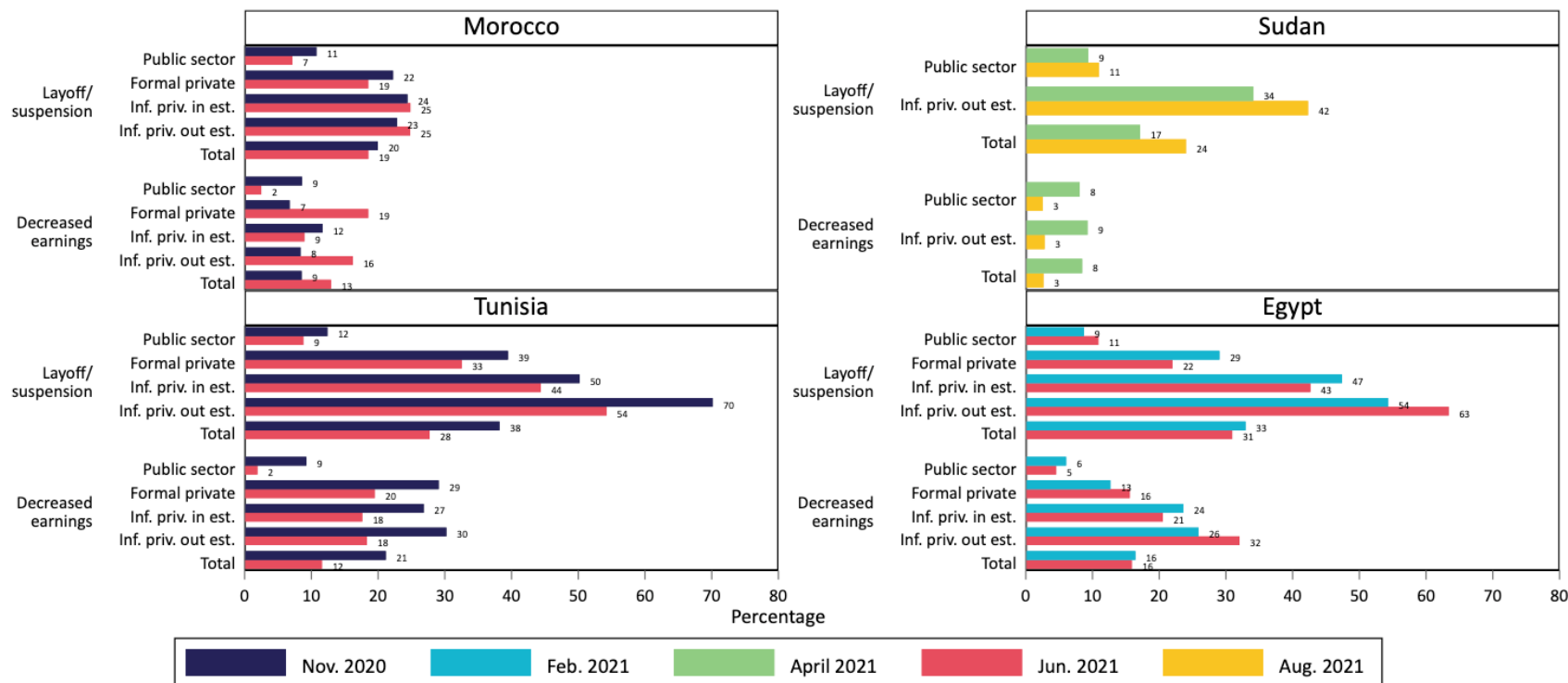
COVID-19 MENA Monitor Data



Informal workers bore the brunt of impacts on wage workers



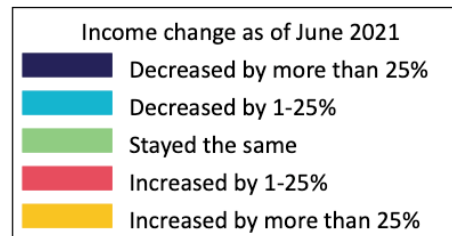
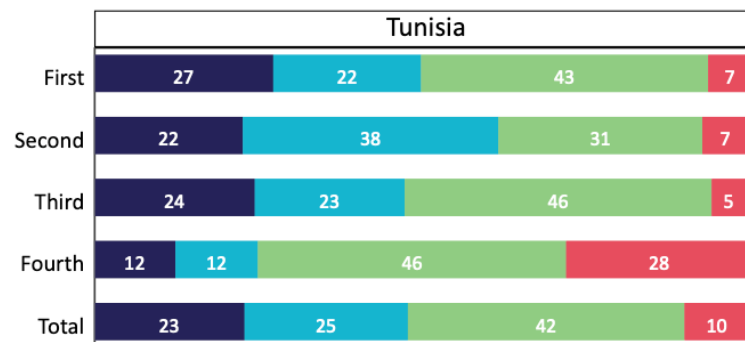
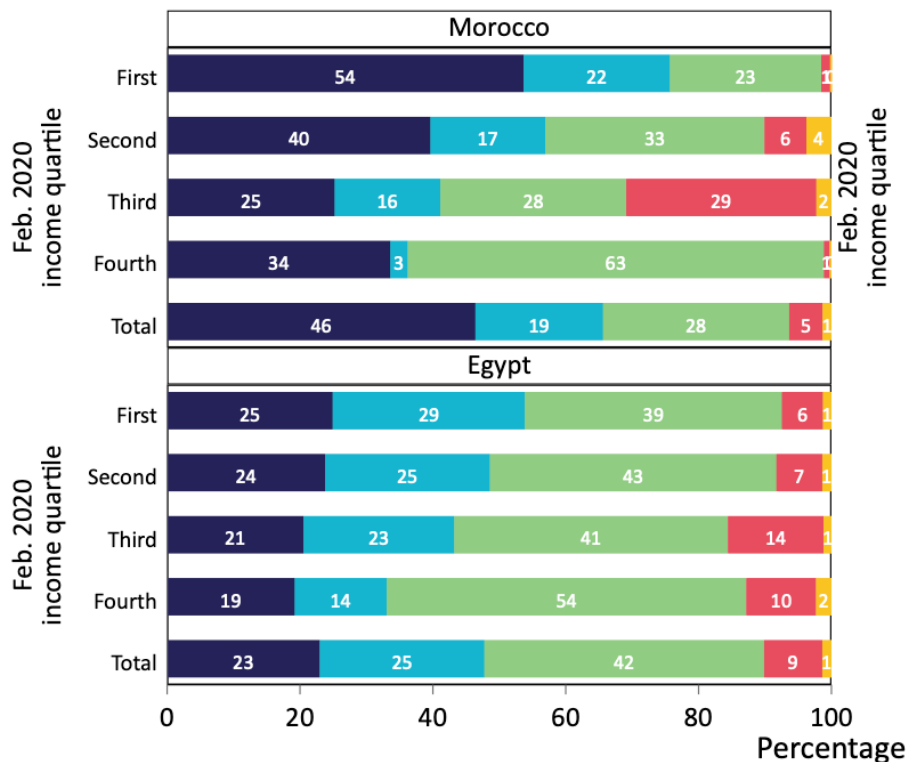
Challenges facing wage workers: Percentage laid off and percentage with decreased earnings by institutional sector in February 2020, wave, and country, wage workers in February 2020, first and latest waves



Income losses are persistent and worsening poverty and inequality



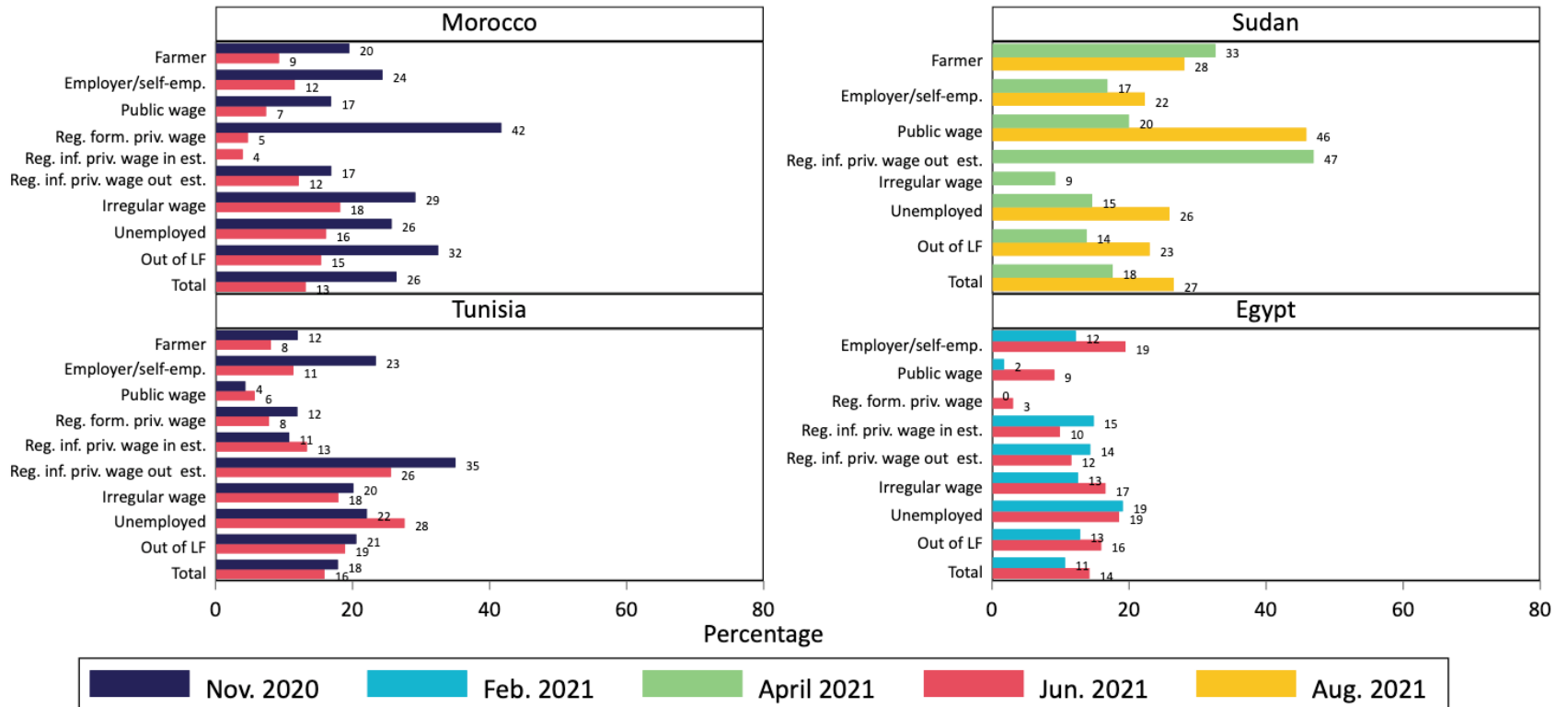
Household income changes, past month compared to February 2020, by February 2020 income quartile and country, latest wave (June 2021)



Government assistance did not necessarily target those struggling the most



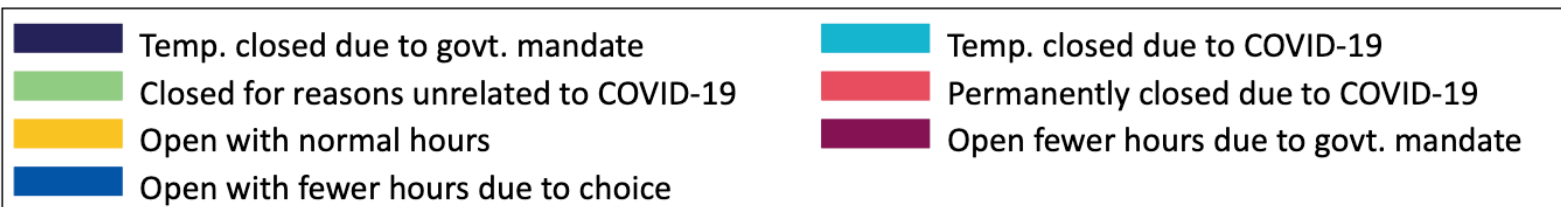
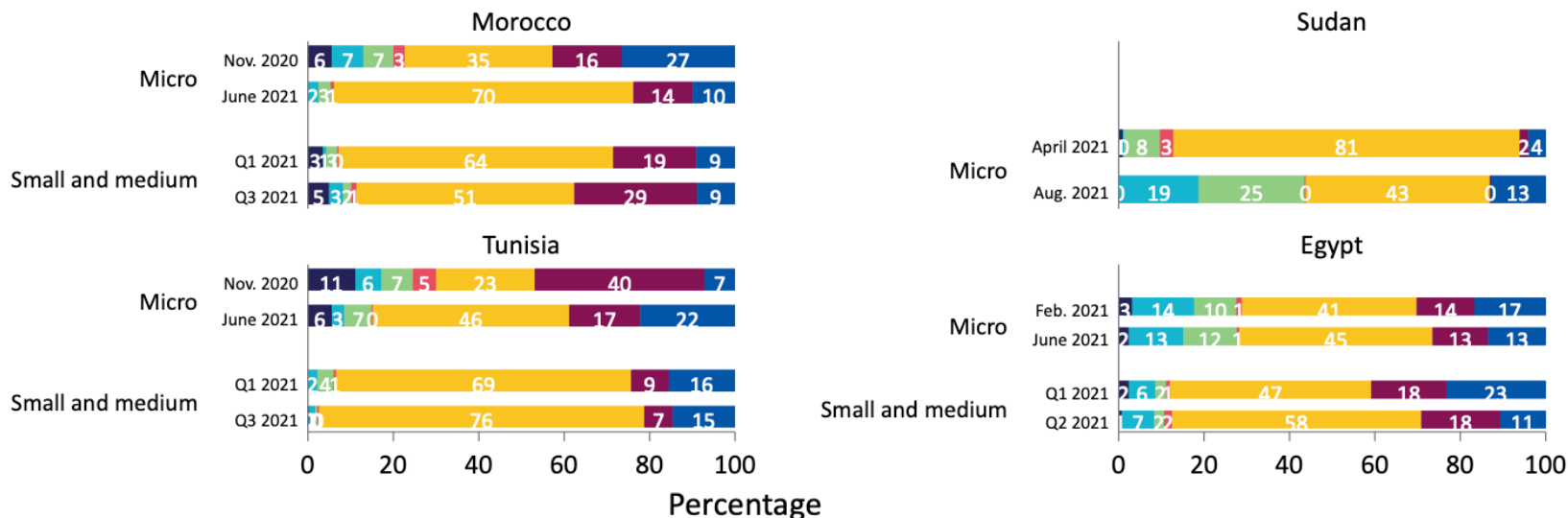
Receiving government assistance (percentage) by labour market status in February 2020 and by country, first and latest waves



Firm operations had not fully recovered



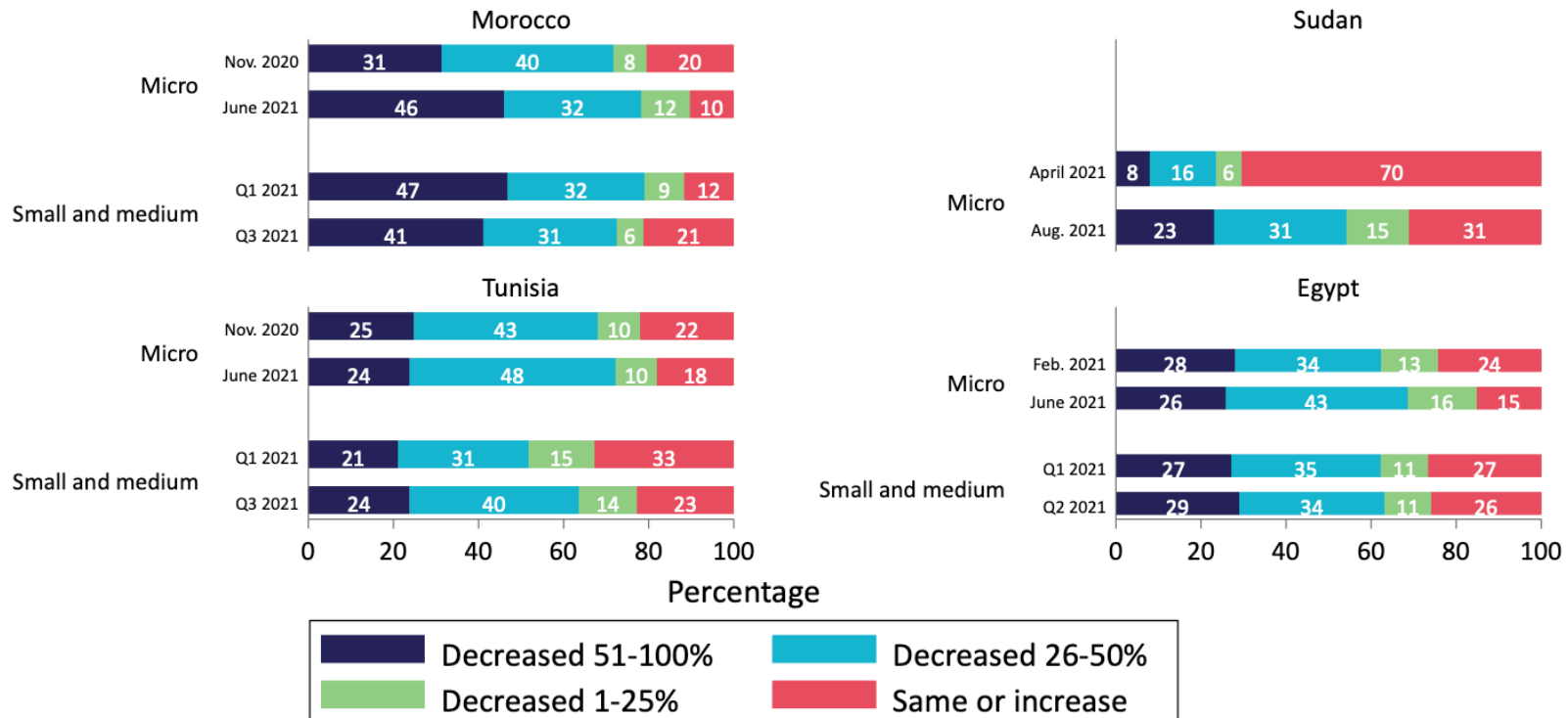
Operational status of enterprises (percentage), micro, small, and medium enterprises in February 2020, by country and wave, first and latest wave



Firm revenues remain depressed



Revenue changes of enterprises, past 60 days compared to same season in 2019 (percentage), micro, small, and medium enterprises in February 2020, by country and wave, first and latest wave



Key takeaways



- Some recovery in growth, disparate impacts by sector and country
- Sharp impact during initial lockdowns (Q2 2020 LFP, unemployment, underemployment)
- Recovery (varying) thereafter in headline labor market measures (LFP, unemployment), income losses persisting
 - Egypt: short-lived losses (unemployment for men; falling participation for women), quick recovery for men, women's participation continues to fall
 - Morocco: later/persistent impact on employment (late 2021 downturn); more impact on time-related underemployment in 2020
 - Tunisia: weaker immediate impact, but continuing struggles through 2021
 - Sudan (and other countries): Other factors as well over the period
- Informal workers, self-employed and farmers, households that were already poor particularly impacted
 - Not necessarily well-targeted by assistance
- Firm operations and revenue have not fully recovered
 - Weak support in most countries, particularly for microenterprises
- Important question is the trajectory of recovery from here

*Thank you for
your attention!*



Questions?!