

Egypt COVID-19 Country Case Study




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Key Messages

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- ▶ Because of its relatively modest lockdown measures, Egypt's economy was somewhat less affected by the pandemic than some of its North African counterparts.
 - ▶ The government of Egypt undertook a number of health, economic, and labour market measures to address the pandemic.
 - ▶ Although labour market indicators saw some degree of recovery from February to June 2021, household welfare measures, such as income and food security, were slower to recover.
 - ▶ Despite some recovery in employment and unemployment rates, the recovery is not complete. Persistent shares of both men and women employed in February 2020 were still out of work in June 2021.
 - ▶ Although formal wage workers were relatively protected from income declines and saw their work hours recover, informal wage workers, whose incomes are much more dependent on the volume of work they can find, experienced a decline and recovery of their wages, but no increase in their work hours from February to June 2021.
 - ▶ Like informal wage workers who are much less protected from fluctuations in economic activity, a substantial and increasing proportion of self-employed workers saw their incomes fall relative to pre-pandemic levels.
 - ▶ As in the case of income, there was not much improvement in the food security situation of households from February to June 2021. Similarly, a higher fraction of households had to pursue coping strategies to address falling incomes over time.
 - ▶ Household access to government assistance other than food ration cards was limited to about 15 per cent. Assistance was initially well-targeted to more disadvantaged groups but was then extended to less disadvantaged groups such as public sector and formal private sector workers.
 - ▶ Small and medium enterprises experienced substantial recovery from the first to the second quarter of 2021, but, like households, microenterprises saw a continued deterioration of their situation from February to June 2021.
 - ▶ A majority of micro, small and medium enterprises reported difficulties in accessing both inputs and customers and substantial loss of demand, with relatively little change over time.
 - ▶ Microenterprises were much less likely than their small and medium counterparts to adopt measures to limit physical contact with their clients such as using phones or digital means of communication.



- ▶ Two-thirds of microenterprises and small and medium enterprises were unable to access government support programs. When they were able to access such support, the most common type of support received was business loans.
- ▶ Although a growing number of school-age children were able to get back to in-person schooling, married women with school-aged children experienced an increase in their care work responsibilities between February and June 2021.
- ▶ A substantial majority of those interviewed reported low levels of wellbeing as measured by the WHO-5 scale, but even more worrying, this proportion increased from February to June 2021, especially among women.



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1. Introduction

Based on available data, Egypt's experience with the COVID-19 pandemic appears to be less severe than that of its peers in North Africa. Although cases and deaths are likely under-reported, the trend in the reported number of cases indicates that Egypt did not experience the spikes in the pandemic that its North African peers experienced in the fall of 2020 and the summer of 2021. With less severe, and probably less stringently enforced, lockdown measures, Egypt's economy was also less affected than other countries in North Africa. Egypt managed to achieve a positive growth rate of 1.5 per cent in 2020, compared to severe contractions of 6.3 per cent in Morocco and 8.8 per cent in Tunisia (Krafft, Assaad, & Marouani, 2021).

This report reviews Egypt's experience with the COVID-19 crisis, focusing on its effects on the labour market, households, and firms. It makes use of the COVID-19 MENA Monitor (CMM), a new data set collected by the Economic Research Forum (ERF). CMM consists of set of rapid phone surveys carried out on a panel of approximately 2,000 households and 500 small and medium firms. The household survey was repeated twice in Egypt, in February and June 2021, whereas the firm survey was carried out twice in the first and second quarters of 2021. We also make use of the results of the June 2020 Poll of the Effects of COVID-19 on Egypt.

Our results indicate that although labour market indicators saw some degree of recovery from February to June 2021, other indicators of household welfare such as incomes and food security did not. The same can be said of microenterprises whose situation appears to have deteriorated from February to June 2021. Small and medium enterprises fared a little better and saw more recovery in their level of economic activity.

While we are not able to directly compare labour market aggregates to pre-pandemic levels due to the selective nature of our sample of phone owners, we can readily see that the recovery in these indicators is not complete. In fact, a persistent fraction of those employed in February 2020 were still out of work in February and June 2021 for both men and women. Although a substantial proportion of men who were unemployed just prior to the pandemic were able to find work, this was not the case for women, many of whom actually stopped seeking work, and left the labour force altogether by June 2021.

Although there was no change in median monthly wages for formally employed workers in both the public and private sectors from February 2020 to June 2021, median wages for informal wage workers declined at first and then recovered their previous levels, even exceeding their pre-pandemic levels for informal wage workers outside fixed establishments. Although weekly hours of work increased somewhat for formally employed workers from February 2021 to June 2021, they declined for self-employed workers, including farmers, and remained almost constant for informally employed workers.

Despite the recovery in labour market indicators, a slightly higher proportion of people in June 2021 than in February 2021 reported that their household incomes were below what they were in February 2020. Although lower income groups had a higher proportion of people experiencing income declines, the largest increases in these proportions occurred for middle income groups. Self-employed workers were the most likely to experience declines in household incomes, and their situation was worse in June 2021 compared to February 2021. The group next most vulnerable to income declines was informal wage workers outside fixed establishments. Both these groups are highly vulnerable to demand fluctuations in the economy and have limited means to smooth out these fluctuations. Although a somewhat higher proportion of workers were able to work from home in June 2021 compared to February of that year, only a minority of workers were able to do so.

As in the case of income, there does not appear to be much improvement in the food security situation of households from February to June 2021, with an increasing and large proportion of households blaming their food insecurity on rising prices and a constant proportion attributing it to declines in household incomes. The most common coping strategies on the part of households were relying on friends and relatives within Egypt, followed by spending down savings, returning to home villages or families and selling assets. There was an increasing proportion of households needing to use one of these coping strategies from February to June 2021.

Household access to government assistance was generally quite limited, but slightly increasing over time from 12 per cent in February to 15 per cent in June 2021.¹ Because some of these measures used existing safety net programs such as the Takaful and Karama cash transfer program, they were well targeted toward the poorest. However, with time, they became less well targeted. Groups that managed to increase their access over time include farmers, employers and the self-employed, public wage workers and formal private wage workers.

The proportion of enterprises working normal hours increased from February to June 2021, especially for small and medium enterprises. As in the case of households, a higher proportion of microenterprises reported declines in their revenues over the previous 60 days from February to June 2021. There was more stability in the proportion of small and medium enterprises reporting declines in revenues from the first quarter to the second quarter of 2021.

A majority of micro, small and medium enterprises reported difficulty in access to inputs and customers and a loss in demand in the previous 60 days. The proportion reporting these difficulties did not change much between February and June 2021 for microenterprises or between the first and second quarters for small and medium enterprises. Nevertheless, the proportion reporting losses in demand declined and those reporting difficulty in accessing inputs increased. Small and medium enterprises were much more likely than microenterprises to adopt measures to reduce physical contact with their clients, such as using phones or digital technology.

Access to government support for businesses was fairly limited for both micro and small and medium enterprises. Two-thirds of micro, small and medium enterprise had no access to such programs whatsoever. The most common support measures obtained by enterprises in both size categories were business loans. There appears to have been some reduction in the likelihood of needing assistance by small and medium enterprises from the first to the second quarter.

Following the complete closure of schools in the last few months of the 2019-20 academic year, school closures were loosened somewhat at the start of the 2020-21 academic years allowing a growing number of students to attend schools in person from 31 per cent in February 2021 to 64 per cent in June 2021. During the time schools were closed for in-person instruction, around 40 per cent of children were able to engage in online education and 45-50 per cent were able to follow educational television. The pandemic also had implications for the care work burden of women in Egypt. Although never married women saw large reductions in care work from February to June 2021, married women with children under six saw only minimal changes and married women with school age children actually experienced an increase.

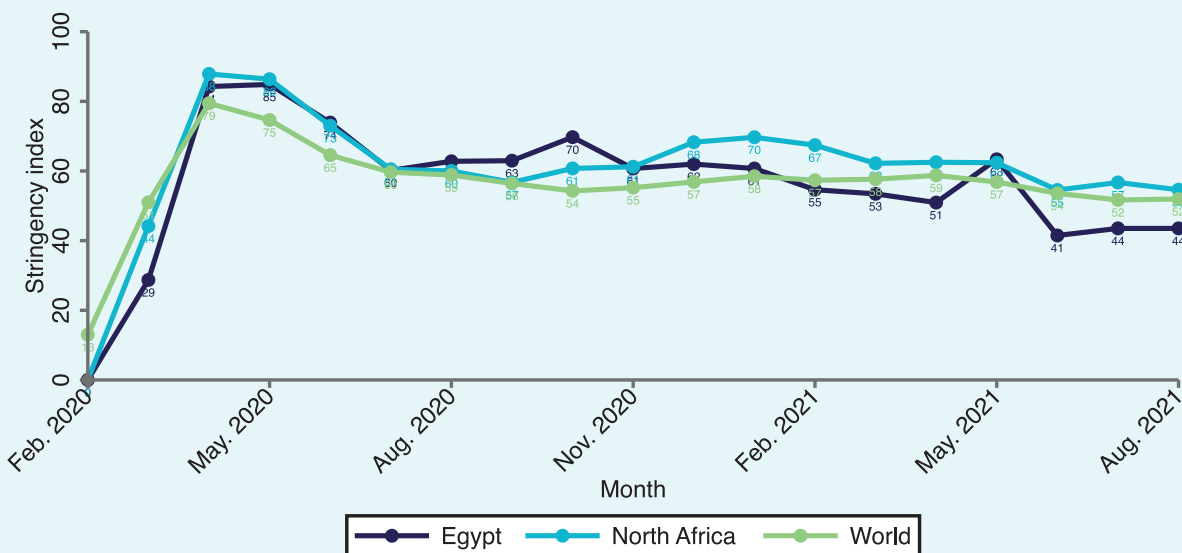
¹ We exclude from these figures food ration cards, which most households in Egypt have access to. As discussed in the policy context, the allowance per person on these ration cards was increased as a response to the pandemic.

2. Country context

2.1 COVID-19 case trends and public health responses

The first case of COVID-19 in Egypt was confirmed on February 14th, 2020 (IMF, 2021a). On March 24th, the government declared a public health emergency followed by a nationwide lockdown aiming to contain the spread of the virus. Among the lockdown measures, the government implemented a two-week curfew (Beschel, 2021), which was later extended to a month (Reuters, 2020).² The curfew applied from 7 PM to 6 AM, during which time all public and private transport was suspended. All educational institutions were shut down until further notice. Shops and malls were closed on weekends and restaurants and coffeeshops were only open for home delivery. Public events such as government meetings and sports events were restricted, a stay-at-home order was imposed with exceptions for essential trips, restrictions on internal movements were imposed, and a total border closure was instituted (Beschel, 2021). Most businesses remained open, but some of them may have reduced their hours to conform to the curfew. During the initial two weeks of lockdown the government also suspended work on megaprojects which led to a substantial decline in workforce on construction sites. An agreement between the Ministry of Housing and the Egyptian Federation for Construction and Building Contractors (EFCBC) to ensure compliance with sanitation and health guidelines allowed for the resumption of work (Beschel, 2021). As shown in Figure 1, Egypt, like the rest of North Africa, had a higher stringency index than the world average during the first two months of the pandemic.³

► **Figure 1:** Evolution of stringency index for closure measures in Egypt, North Africa and the world, February 2020 to August 2021



Source: Authors' calculation based on data from Hale, Angrist, Goldszmidt, et al. (2021).

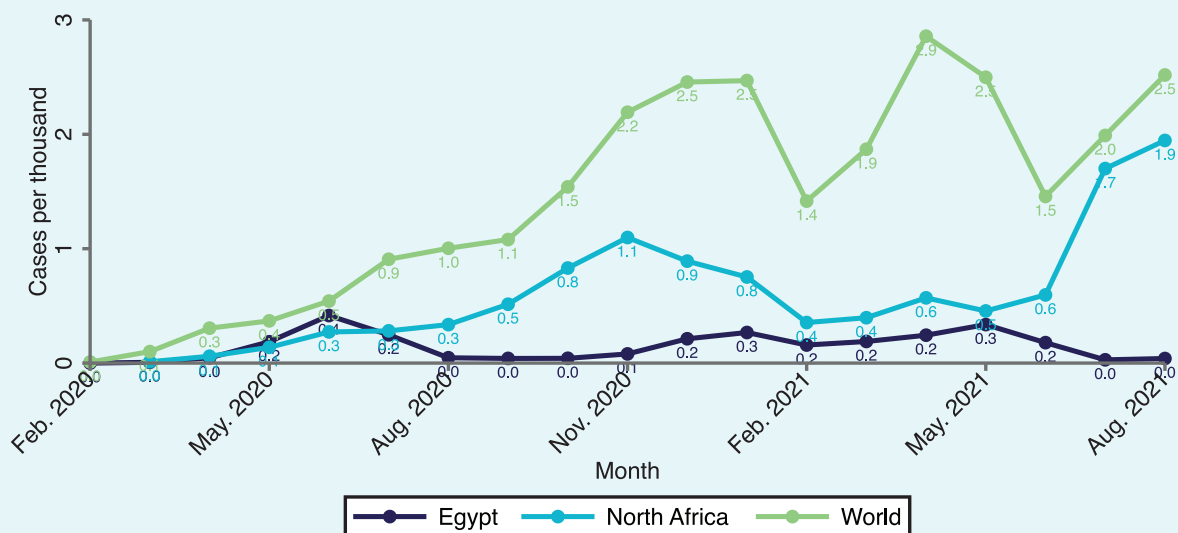
² See Table 1 for a summary of the closure measures over time.

³ The stringency index is a summary measure of number and extent of closure measures adopted by governments in response to the COVID-19 pandemic, which was developed by the COVID-19 Government Response Tracker project of the Blavatnik School of Government, University of Oxford (Hale, Angrist, Cameron-Blake, et al., 2021).

By the start of the holy month of Ramadan (April 23-May 23), the government started easing restrictions by reducing curfew hours, likely leading to the observed surge in cases in May and June 2020. The reported number of cases reached 187 per million (0.2 per thousand) in May followed by an all-time high of 416 cases per million (0.4 per thousand) in June 2020 (Figure 2). Curfew hours were extended at the end of May and a mask mandate was imposed with an EGP 4,000 fine for violators (Beschel, 2021). A month later, the government eased restrictions by limiting daily curfews to only four hours between 12 AM and 4 AM. Cafes, restaurants and hotels were allowed to operate at 25 per cent capacity and shops and places of worship could reopen. In mid-July, international flights to specific destinations were resumed (Hale, Angrist, Goldszmidt, et al., 2021). As shown in Figure 1, this loosening of restrictions resulted in a substantial drop in the stringency index in June and July; a loosening trend which was also prevalent in the rest of North Africa and around the world. Fortunately, the easing of restrictions coincided with a rapid decline in the number of reported cases, which remained low through October 2020 (Figure 2).

Although the officially-reported caseload figures are useful in reflecting the trends in COVID-19 cases across the different waves of the virus, they may not accurately reflect the total case count. In March 2021, the World Health Organization estimated that Egypt only had the capacity to conduct up to 200,000 tests, which meant that any cases beyond this number would go untested (Beschel, 2021). Moreover, the disparity in access to health services across regions means that some regions may have better access to testing than others. Low testing capacity probably explains the high case fatality rate in Egypt (5.7 per cent) compared to the world average (2.2 per cent), despite the relatively low rate of COVID-19 deaths per million (Beschel, 2021). This is either explained by incomplete testing coverage or a more targeted testing regime that prioritizes severe cases. The high case fatality rate could also reflect low treatment capacity or the prevalence of non-communicable diseases lowering the chance of survival among those who contract the virus (Beschel, 2021)

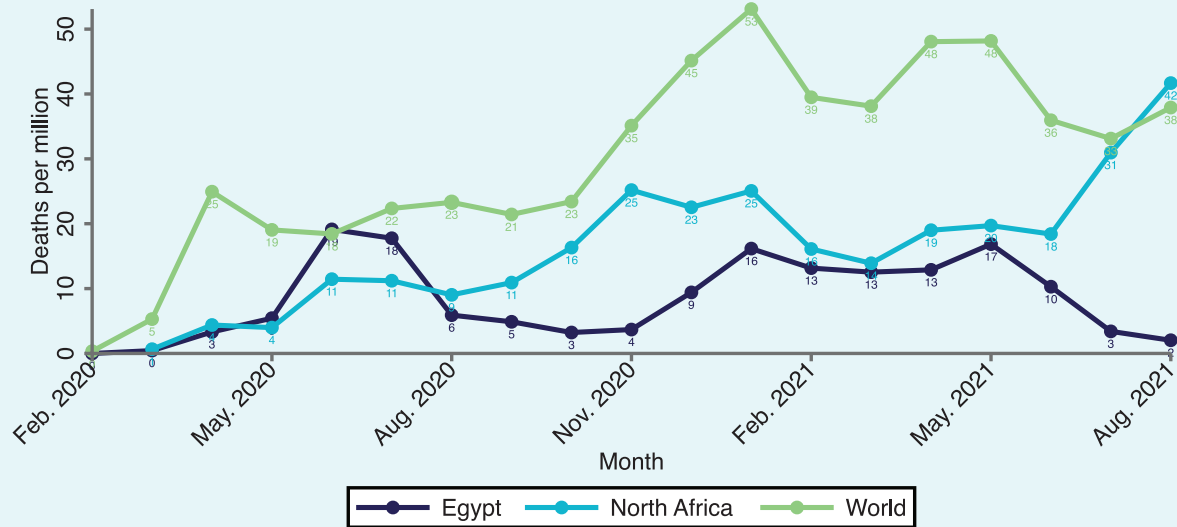
► **Figure 2:** COVID-19 new cases per thousand per month in Egypt, North Africa and the world, February 2020 to August 2021



Source: Authors' calculation based on data from (Ritchie, Mathieu, Rodés-Guirao, et al., 2020).

By the third quarter of 2020, the number of cases was increasing again leading to a new wave of tightening of restrictions. As shown in Table 1, restrictions on gatherings were tightened in mid-October, with further tightening in December to ban all gatherings. Public transport restrictions and stay-at-home requirements were also tightened in mid-October, and international travel controls requiring quarantines for arrivals from some regions were introduced. Many of these restrictions did not last very long and were reversed by early November. This inconsistent response resulted in a new surge in the number of cases in December 2020 and January 2021. This was accompanied by a large increase in COVID-19 related deaths as shown in Figure 3.

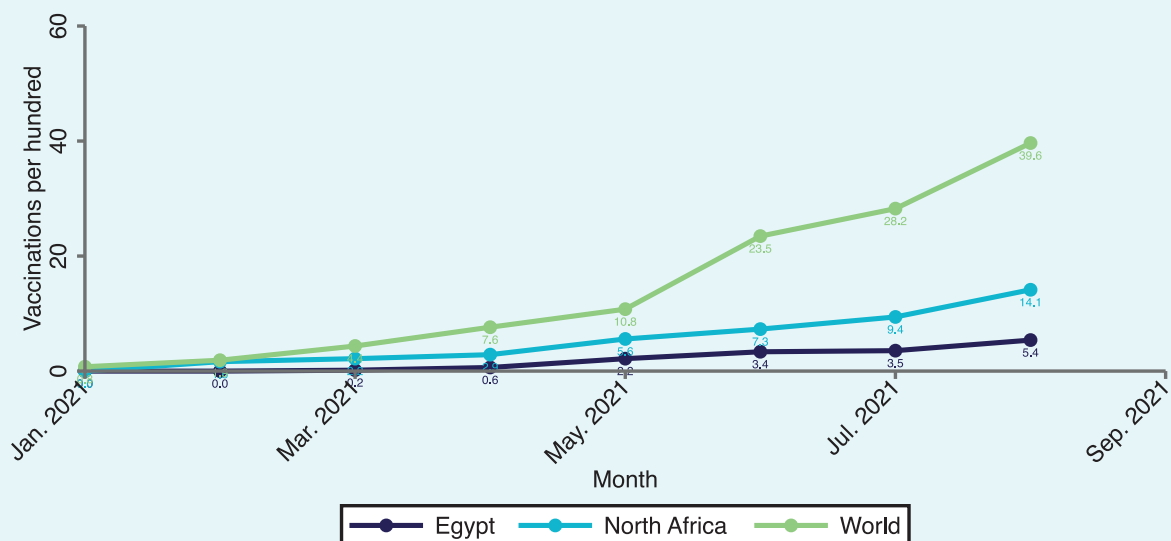
► **Figure 3:** COVID-19 new deaths per million per month in Egypt, North Africa and the world, February 2020 to August 2021



Source: Authors' calculation based on data from (Ritchie, Mathieu, Rodés-Guirao, et al., 2020).

The first quarter of 2021 saw a further loosening of closure restrictions, despite continued high caseloads and death rates. It also saw the start of a vaccination campaign that unfortunately proceeded very slowly relative to both the North African and world averages, as shown in Figure 4. Egypt had only managed to vaccinate 0.2 per cent of its population by the end of March 2021, and vaccination rates remained well below those of its North African peers through August 2021, when the vaccination rate reached 5.4 per cent.

► **Figure 4:** Cumulative number of vaccinations per hundred in Egypt, North Africa and the world, January 2021 to August 2021



Source: Authors' calculation based on data from (Ritchie, Mathieu, Rodés-Guirao, et al., 2020).

The second quarter of 2021 saw a short-lived tightening of restrictions in May that was mostly reversed in early June. Fortunately, however, the caseload and death rates declined substantially from a May high and continued to decline through August 2021.

► **Table 1.** Timeline of government closure responses to COVID-19

	Closure measures
Late March to April 2020	<ul style="list-style-type: none"> School closings at all levels Required closing of workplaces for some sectors Required cancelation of public events Restrictions on very large (1000+) gatherings Required closing of public transport Stay-at-home requirement with exceptions for essential trips Internal movement restrictions in place Total border closure
May-June 2020	<ul style="list-style-type: none"> School closings loosened in early June to require closings of some levels Closing of public transport loosened in early June Stay-at-home requirement switched to recommendation in early June

Closure measures	
July-September 2020	Restrictions on international travel lifted in early July but additional screening introduced in early August
October-December 2020	<p>Restrictions on gatherings tightened in mid-October to ban gatherings of more than 100 people and tightened further in late December to ban all gatherings</p> <p>Public transport restrictions tightened in mid-October and dropped entirely in early November</p> <p>Stay-at-home order tightened to requirement with exceptions in mid-October and loosened back to recommendation in early November</p> <p>Controls on international travel tightened to require quarantine for arrivals from some region in mid-October</p>
January-March 2021	<p>Vaccination campaign launched late January</p> <p>Stay-at-home recommendation lifted in late March</p> <p>Restrictions on internal movements lifted in mid-January</p>
April-June 2021	<p>School closings loosened to recommend closing or opening with alterations in early April, tightened again to require closings at some levels in early May, and loosened again in early June</p> <p>Workplace restrictions loosened to recommend closing in early June</p> <p>Required closings of public transport re-introduced in early May and lifted again in early June</p> <p>Stay-at-home recommendation lifted in early June</p>

Source: Authors' adaptation based on data from Hale, Anania, Angrist, et al. (2021) and Hale, Angrist, Goldszmidt, et al. (2021).

Note: Unless a change in closure restrictions is noted, the restrictions are assumed to continue from the previous period.

▶ 2.2 Economic and social protection responses

At the outset of the pandemic, the Government of Egypt announced an emergency response package of EGP 100 billion (1.7 per cent of FY2019/20 GDP or US \$6.3 billion) to mitigate the negative effects of the pandemic, half of which was dedicated to the tourism industry (World Bank, 2021a). This was lower than the average MENA fiscal response of 2.7 per cent of GDP and much lower than the global average response of 10.2 per cent of GDP (Organisation for Economic Co-operation and Development (OECD), 2020; IMF, 2021b).

The government immediately adopted several measures to ease financial pressure on individuals and firms and stimulate the economy. The Central Bank of Egypt cut policy interest rates by 400 basis-points early in the pandemic, with the overnight deposit rate cut from 12.25 percent to 8.25 percent (IMF, 2021c). A six-month deferral was granted for all loan repayments to individuals, and a tax on dividends was reduced (Raman, n.d.). A planned capital gains tax was postponed until further notice (IMF, 2021a).

With regard to sector-specific policies, the tourism, agriculture and construction industries received access to credit at preferential interest rates, and the aviation sector was given access to loans with a 2-year grace period on payments (IMF, 2021a). These loans benefited from a government loan guarantee, worth EGP 3 billion (US \$190 million). Both industrial and aviation firms benefitted from a reduction in energy prices, tourism and industrial firms were granted real estate tax relief, the tax law on agricultural land was suspended for a further two years, and the export subsidy program was substantially expanded in the 2020/21 budget (IMF, 2021a). Finally, the government allocated EGP 5 billion (US \$318 million) to provide urgent and necessary medical supplies and disburse bonuses for medical professionals working in quarantine hospitals, university hospitals and labs (IMF, 2021a).

Small and medium enterprises (SMEs) benefited from an expansion of the Central Bank's SME initiative, which was launched in 2020 (IMF, 2021a). This included payment deferrals for a further six months to the tourism sector and other distressed firms with loans of under EGP 10 million as well as an increase in the share of bank loan portfolios that must be allocated to SMEs from 20 to 25 per cent. The Financial Regulatory Authority advised microlenders to consider delays, on a case-by-case basis, of up to 50 per cent of the value of monthly instalments for struggling clients. Moreover, an initiative to suspend credit score blacklists for non-regular clients and a waiver of court cases for defaulted customers was announced. A 1 percentage point increase in the payroll tax on all public and private employees, as well as 0.5 per cent reduction in state pensions was adopted to finance support for SMEs and the sectors severely hit by the pandemic (IMF, 2021a).

With regard to support directed to households, the government launched a consumer spending initiative of close to EGP 10 billion (US \$636 million) to stimulate household consumption. Under this initiative producers offer selected products at discounted rates, and consumers can access low-interest loans to pay for the discounted consumer goods. Under this program households with ration cards received EGP 200 per household member up to EGP 1000 (US \$64) in additional spending power per month (Enterprise, 2020; IMF, 2021a). The government also launched a new guarantee fund of EGP 2 billion to guarantee mortgages and consumer loans offered by banks and consumer finance companies (IMF, 2021a). To ease transactions, the limits on electronic payments via mobile phones were raised and ATM withdrawal fees were cancelled (Raman, n.d.; IMF, 2021a). Moreover, low and middle-income households applying for housing loans were given preferential interest rates (IMF, 2021a).

To support the most vulnerable groups, the Ministry of Social Solidarity extended the coverage of its flagship cash transfer programs, Takaful and Karama, by revising the Proxy-Means-Testing threshold to allow eligibility for more households affected by the pandemic (Yassa, 2020). By June 2021, 411,000 households were added to the rolls of the program, which by then included a total of 3.4 million households (Wes, 2021). The ministry also increased regular social insurance pensions by 14 per cent (Beschel, 2021). Similarly, the Ministry of Manpower allocated EGP 50 million for short-term grants of EGP 500 per month to irregular workers in severely hit sectors. This amounts to about one quarter of the median wage for informal wage workers, which was EGP 1,950 in 2018 (Said, Galal, & Sami, 2021). The grants were initially planned for three months starting in May 2020, but were later extended for a further three instalments, ending in March 2021. A total of 1.6 million irregular workers out of a total of around 4 million applicants were found eligible for this program (Hamdy, 2021). The government also announced annual raises for public sector employees ranging from 7 to 12 per cent (ILO, 2021).

▶ 2.3 Pre-existing labour market challenges

Over the past 20 years, growth in Egypt has fluctuated considerably. It went through periods of high growth followed by a decline in growth rates driven by global economic shocks or local political instability. Following the conclusion of an agreement with the IMF in 2016, Egypt committed to a package of economic reforms that redressed macroeconomic imbalances. There followed a recovery in growth with annual GDP growth reaching 5.6 per cent in 2019 (World Bank, 2021b). However, in recent years, economic growth has been relatively jobless, with the employment-to-population ratio (or employment rate, for short) declining steadily from 45 per cent in 2010 to 39 per cent in 2019 (Assaad, Alsharawy, & Salemi, 2021).

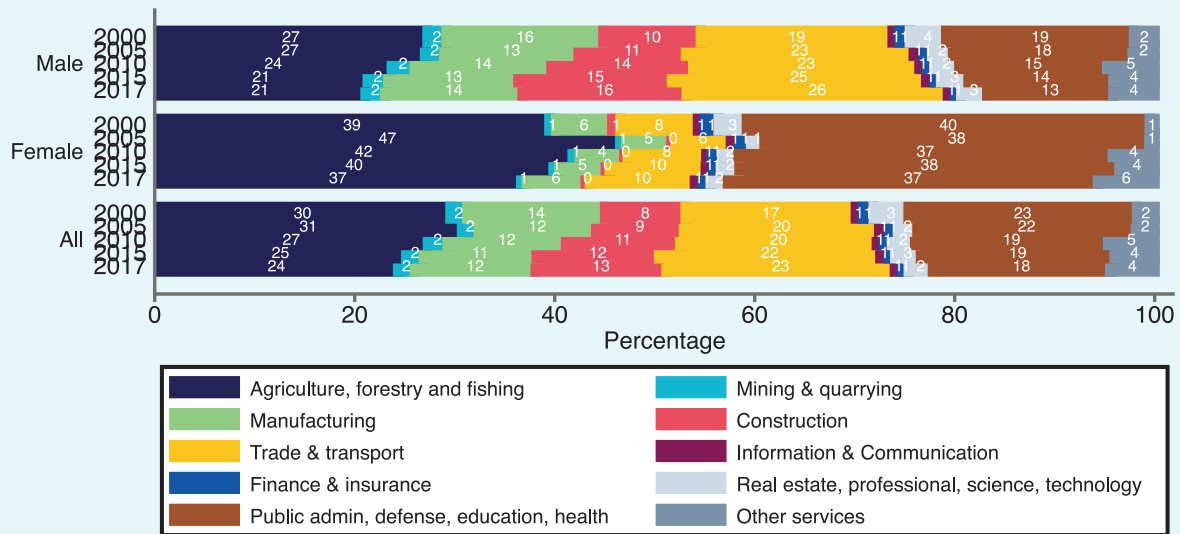
After increasing from 48 per cent in 2000 to 52 per cent in 2010, overall labour force participation for those 15 to 64 began declining to return to 44 per cent by 2019.⁴ The recent decline was due to a decline in both male and female participation rates. Male participation rates declined from 78 per cent in 2010 to 70 per cent in 2019, a period which also saw a substantial decline in male employment rates from 75 to 67 per cent (ILO, 2019). After increasing appreciably from 2000 to 2010, female participation rates declined from 24 per cent in 2010 to 16 per cent in 2019, and female employment rates fell from 19 to 13 per cent in the same period (ILO, 2019).

Despite falling employment rates post-2010, the trend in unemployment in recent years was generally downwards, with the exception of a three-year period following the 2011 revolution. The unemployment rate for the population 15-64 increased from 9 per cent in 2010 to 13 per cent in 2013, remained at that level through 2016, and then declined steadily to reach 8 per cent in 2019 (ILO, 2019). It was mostly the male unemployment rate that was adversely affected by the economic crisis following the 2011, rising from 5 per cent in 2010 to 10 per cent in 2013 and 2014, only to fall back to 5 per cent in 2019. The female unemployment rate increased relatively less from 22 per cent in 2010 to 25 per cent in 2015, only to return to 22 per cent by 2019. The observed recent decline in unemployment despite the continued decline in employment rates can be attributed to the slow growth of the youth and young adult population in recent years, which is the population most at risk of unemployment in Egypt, as well as some degree of discouragement, especially among young women (Krafft, Assaad, & Keo, 2021).

The sectoral pattern of growth over the past two decades favoured industries that generate relatively low-quality employment (Assaad, Krafft, Rahman, & Selwaness, 2019; Amer, Selwaness, & Zaki, 2021; Assaad, Alsharawy, & Salemi, 2021). For instance, the construction sector, which mostly generates informal and precarious types of employment, saw its share in employment increase from 8 per cent in 2000 to 13 per cent in 2017 (Figure 5). Similarly, trade and transport, whose jobs are also mostly informal, increased their share from 17 per cent to 23 per cent in the same period. Conversely, the share of employment in tradable sectors such as agriculture fell from 30 to 24 per cent and manufacturing from 14 to 12 per cent. There was also a large drop in the share of public administration, defence, education and health, which were an important source of formal employment in the economy as the role of public employment shrank (Barsoum & Abdalla, 2021).

⁴ The 2000 figure is from CAPMAS (2000). The 2010 and 2019 figures are from ILO (2019). The ILO uses microdata from the official labor force survey to produce estimates for the population 15-64. The estimates shown in the official labor force survey bulletins from 2010 onwards are for the population 15+.

► **Figure 5:** The distribution of employment by economic activity and sex (percentage), ages 15-64, 2000-2017

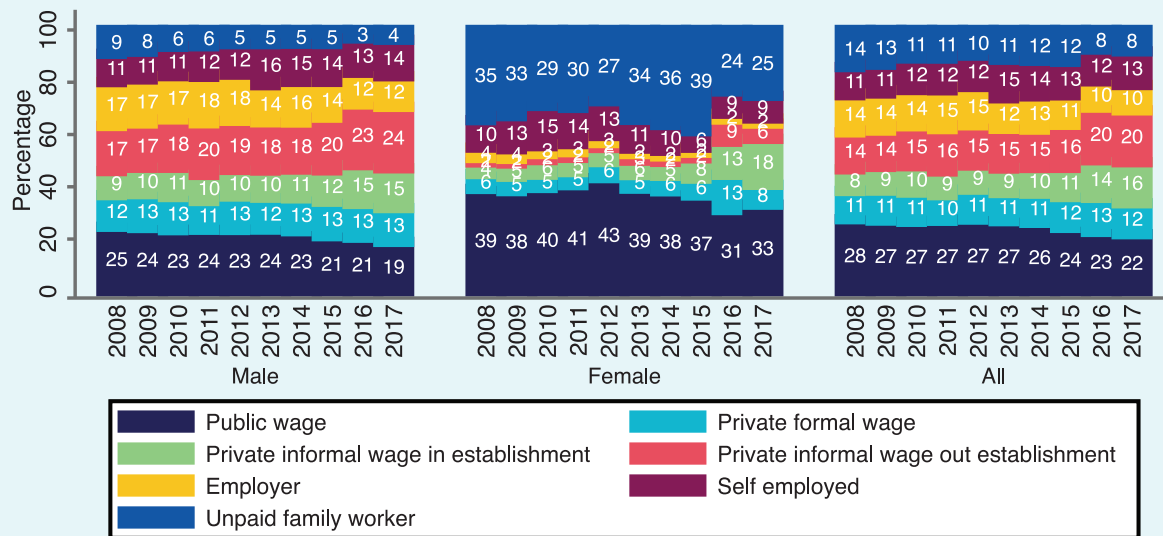


Source: Amer, Selwaness, & Zaki (2021) based on Egypt Labour Force Surveys

As shown in Figure 5, employed women in Egypt were particularly concentrated in agriculture and in public administration, education and health, two sectors whose share was contracting, putting downward pressure on demand for female labour and, consequently, on female labour force participation (Assaad, Hendy, Lassassi, & Yassin, 2020).

The sectoral pattern of employment is reflected in the evolution of the type of employment over time. As shown in Figure 6, the share of formal wage employment has steadily declined over time, mostly reflecting the declining share of public sector employment and the relative stagnant share of private formal wage employment. The two types of employment that have grown the fastest are informal wage employment inside and outside establishments, whose combined share grew from 22 per cent in 2000 to 36 per cent in 2017. Informal wage employment outside establishments is a particularly precarious kind of employment associated with the growth of the construction and transportation sectors (Assaad, Alsharawy, & Salemi, 2021).

► **Figure 6:** Distribution of type of employment by year and sex (percentage), ages 15-64, 2008-2017



Source: Amer, Selwaness, & Zaki (2021) based on Egypt Labour Force Surveys



3. Data

This study relies on two data sources: (1) the June 2020 Poll of Effects of COVID-19 on Egypt and (2) the COVID-19 MENA Monitor. Both are phone surveys targeting individuals with mobile phones aged 18-64. The COVID-19 MENA Monitor also included a firm survey targeting private sector firms with 6-199 workers prior to the start of the pandemic (in February 2020). Data are publicly available from the Economic Research Forum at www.erfdataportal.com (OAMDI, 2021a, 2021b).

The descriptive analyses in this study draw on both retrospective data (asking about characteristics in February 2020 or 2019, prior to the pandemic) and contemporaneous data, asking about current or recent status (e.g., work in the seven days preceding the survey). Questions also ask for comparisons between current statuses and pre-pandemic statuses (e.g., how much income has changed over time). The household survey for the COVID-19 MENA Monitor included modules specifically for wage workers, farmers, household non-farm enterprises, and women, as well as questions asked of all respondents about themselves or their households. The household enterprise module is used in this study to provide data on microenterprises with 1-5 workers, which is compared with outcomes from the firm survey.

Microdata on the exact dates of fielding for the June 2020 poll were not available, but dates for the COVID-19 MENA monitor fielding were as follows:

- ▶ Households: February 2021 wave: January 14 to February 18, 2021
- ▶ Households: June 2021 wave: May 26 to July 25, 2021
- ▶ Firms: Q1 2021 wave: January 30 to March 28, 2021
- ▶ Firms: Q2 2021 wave: May 26 to July 17, 2021



4. Results

We organize our results thematically, first presenting labour market outcomes overall and for wage workers, then turning to the experiences of farmers, micro, small and medium enterprises (MSMEs), household shocks and coping, education and care work, and lastly health behaviours and wellbeing.

▶ 4.1 Labour market outcomes

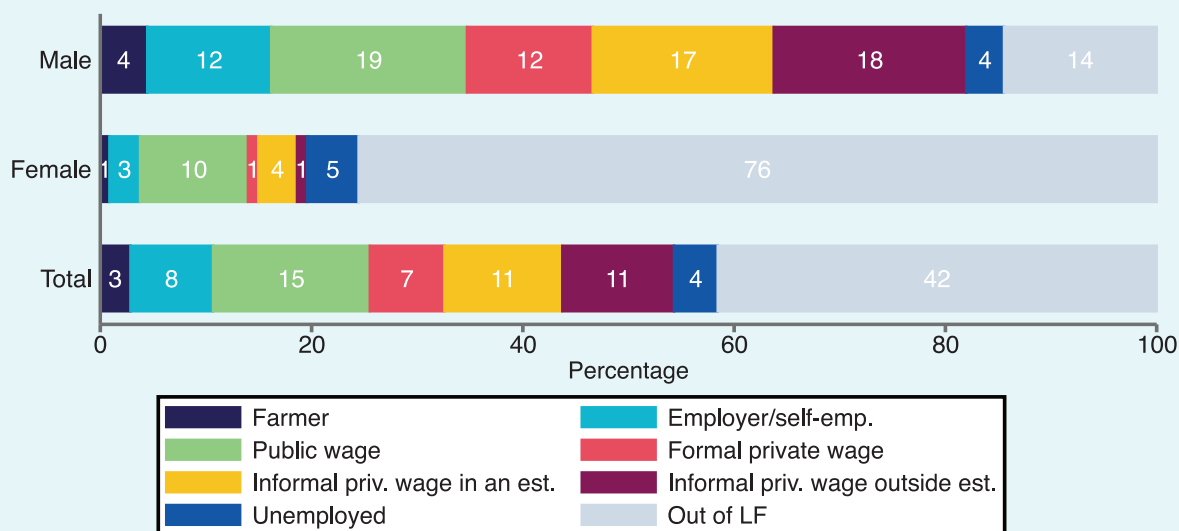
Labour market outcomes during the pandemic must be considered in light of pre-existing labour market patterns and trends. Figure 7 presents the distribution of labour market statuses in February 2020, by sex, for our sample of mobile phone owners aged 18 to 64. As before, we distinguish between formal work (with social insurance coverage) and informal work (no social insurance). We first note that our sample of phone owners had a higher overall labour force participation rate in February 2020 (58 per cent) than that reported for the population 15-64 in the labour force survey for 2017 (48 per cent) (Amer, Selwaness, & Zaki, 2021). Both men and women in our sample of mobile phone owners participated at higher rates than the 15-64 population as a whole (86 per cent versus 70 per cent for men, and 34 per cent versus 25 per cent for women).⁶

With regard to type of employment among those employed, we find that they are slightly more likely to be public sector workers (27 versus 22 per cent) and informal private sector wage workers inside establishments (20 versus 16 per cent), but equally likely to be formal private sector wage workers (13 versus 12 per cent), informal private sector wage workers outside establishments (20 per cent) and less likely to be self-employed workers, farmers, or unpaid family workers (20 versus 31 per cent).⁷ Female self-employed and unpaid family workers are particularly under-represented in our sample relative to the population as whole (20 versus 35 per cent) and female public sector workers are over-represented (50 versus 33 per cent).

⁶ See appendix 3 for the characteristics of the population that does not own mobile phones in Egypt. They tend to be more likely to be female, poorer, older, and less educated, and more likely to be out of the labour force and working in family enterprises in agriculture and outside agriculture.

⁷ We calculated these percentages by taking out the unemployed and those out of the labour force in Figure 7 and comparing to the percentages shown in Figure 6 for 2017.

► **Figure 7: Labour market status in February 2020 (percentage), by sex**



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021

Figure 8 shows employment-to-population ratios and labour force participation rates during the COVID-19 pandemic. We distinguish between the standard definition of unemployment (and thus the labour force, which is the employed and the unemployed), which requires search within the four weeks preceding the survey, and the broad definition, which merely requires wanting to work and not working (not even an hour in the preceding week).

The percentage of the population employed steadily increased from 49 per cent in June 2020 to 54 per cent in June 2021. Labour force participation saw a substantial jump from June 2020 to February 2021 (54 per cent to 66 per cent by the standard definition) and a steadier increase from February 2021 to June 2021 (69 per cent). The broad definition of labour force participation followed a similar trend.⁸

Among Egyptian men, the employment to population ratio increased between June 2020 (74 per cent) and June 2021 (80 per cent), with most of the recovery occurring by February 2021 (78 per cent).⁹ Labour force participation (standard definition) increased from 80 per cent in June 2020, to 89 per cent in February 2021, to 91 per cent in June 2021.¹⁰ Among Egyptian women,

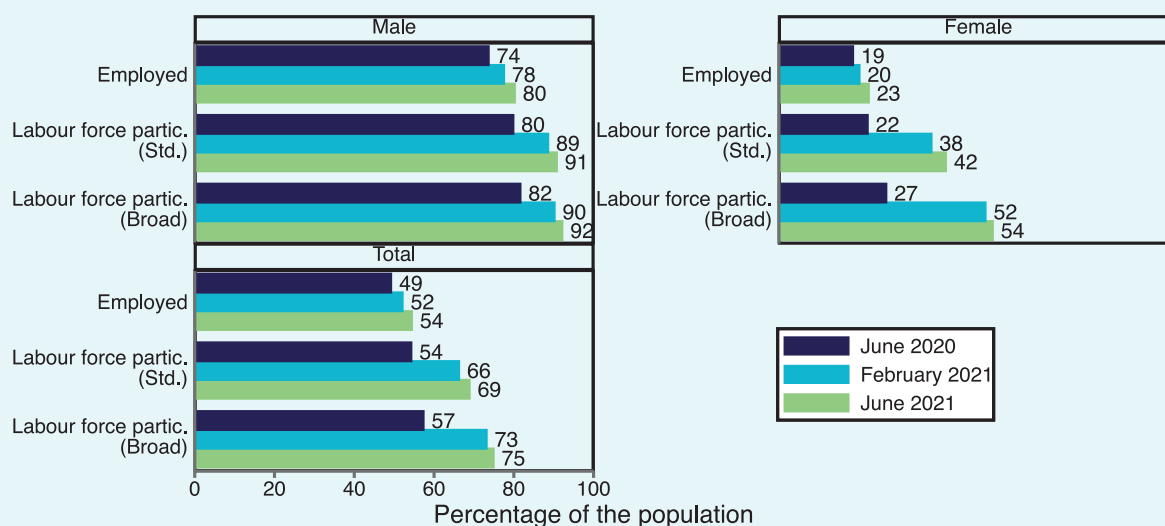
⁸ It should be kept in mind that the data for June 2020 was collected by June 2020 Poll of Effects of COVID-19 on Egypt. That survey instrument had a somewhat different methodology and sampling strategy than the COVID-19 MENA Monitor and may thus not be fully comparable. This appears to be particularly the case for the measurement of unemployment among women, and to a lesser extent among men, and thus has implications for labour force participation rates as well.

⁹ According to the official labor force survey (LFS), employment-to-population ratios for the male population 15+ fell from 65 per cent in Q1 2020 to 60 per cent in Q2 2020, recovered to 63 per cent in Q3 2020 and further increased to 66 per cent in Q4, only to fall back to 64 per cent in Q1 2021 (CAPMAS, n.d.).

¹⁰ According to the LFS, the labor force participation rate according to the standard definition of the male population 15+ dropped from 68 per cent in Q1 2020 to 65 per cent in Q2 2020, but then recovered to 67 per cent in Q3, and returned to pre-pandemic levels thereafter (68 per cent) in Q4 2020 and Q1 2021 (CAPMAS, n.d.).

the employment to population ratio rose from 19 per cent in June 2020 to 20 per cent in February 2021 and 23 per cent in June 2021.¹¹ Labour force participation (standard definition) jumped more sharply from June 2020 (22 per cent) to February 2021 (38 per cent) for women and then increased slightly in June 2021 (42 per cent).¹² Although labour force participation using the broad definition followed a similar trend, the difference between the standard and broad definitions was much larger for women than for men, reflecting higher rates of discouraged unemployment among women.

► **Figure 8:** Labour force participation rates (standard and broad) and employment-to-population ratio (percentages), by sex and wave



Source: Authors' calculations based on June 2020 Poll of Effects of COVID-19 on Egypt, Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

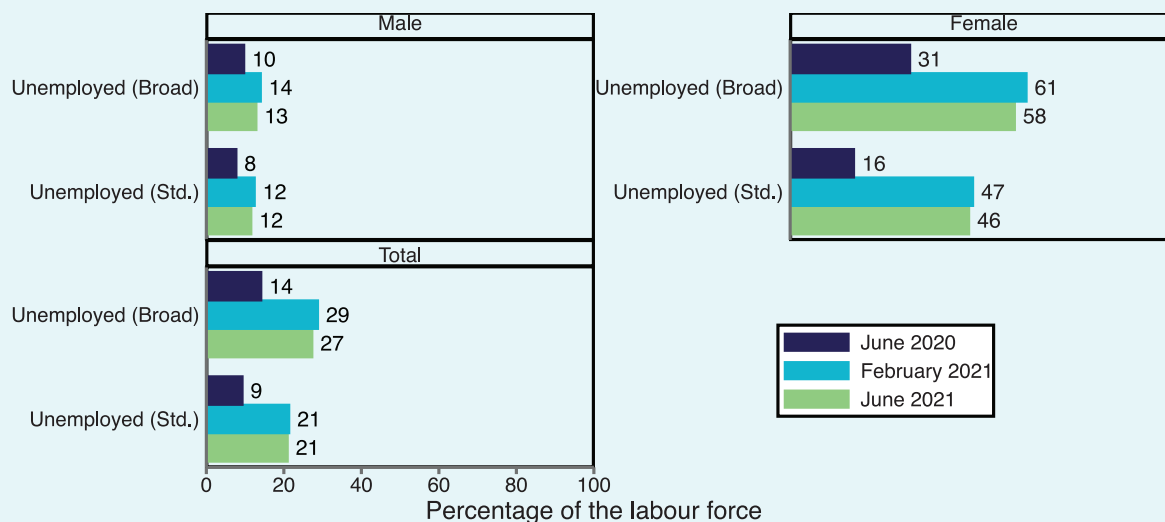
Figure 9 presents unemployment rates, as a percentage of the labour force. The comparison between unemployment rates in June 2020 and those of later dates should be interpreted with caution given the tendency of the June 2020 Poll of Effects of COVID-19 on Egypt to produce lower estimates of unemployment than those of the COVID MENA Monitor Survey. Thus, discounting the apparent increase in unemployment from June 2020 to February 2021, we note instead the slight decline in unemployment from February to June 2021, especially when using the broad definition.¹³ Women experienced much higher rates of unemployment than men, as has historically been true in Egypt (Krafft, Assaad, & Keo, 2021). For instance, in June 2021 male respondents' unemployment rate was 12 per cent compared to 46 per cent for women, using the standard definition.

¹¹ According to the LFS, the employment-to-population ratio of the female population 15+ dropped from 13 per cent in Q1 2020 to 10 per cent in Q2, only to recover to 11 per cent in Q3 and 13 per cent in Q4, and remained at that level in Q1 2021 (CAPMAS, n.d.).

¹² According to the LFS, the participation rate according to the standard definition for the female population 15+ dropped from 16 per cent in Q1 2020 to 12 per cent in Q2, recovered to 13 per cent in Q3 and 16 per cent in Q4, but fell back to 15 per cent in Q1 2021 (CAPMAS, n.d.).

¹³ Results LFS indicate a sharp increase in the unemployment rate from 7.7 per cent in Q1 2020 to 9.6 per cent in Q2, but it quickly returned to its pre-pandemic trend, declining to 7.3 per cent in Q3 and 7.2 per cent in Q4. It increased roughly at that level in Q1 2021 (7.4 per cent) and Q2 2021 (7.3 per cent) (CAPMAS, n.d.).

► **Figure 9:** Unemployment rates (standard and broad) (percentage of the labour force), by sex and wave

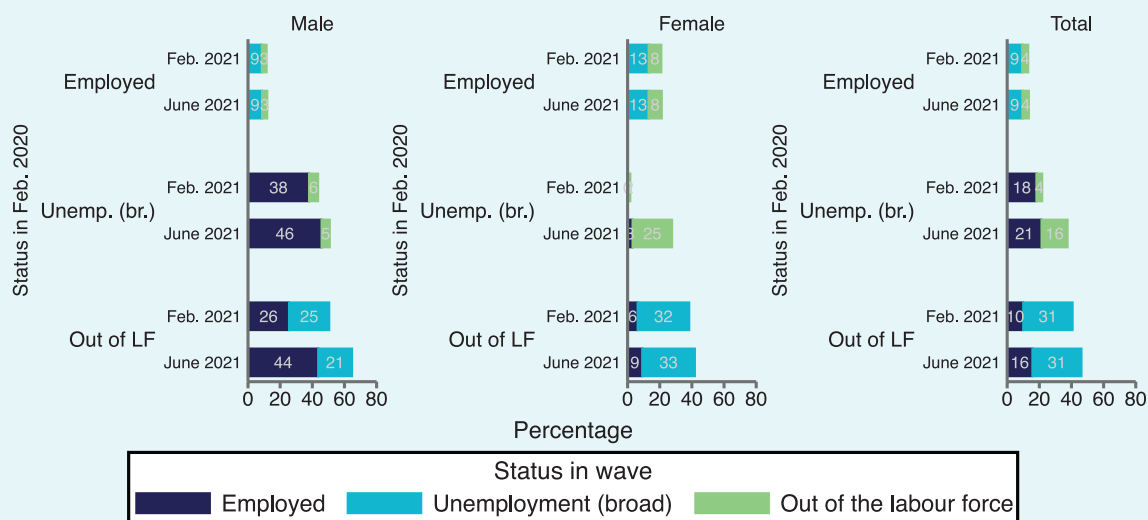


Source: Authors' calculations based on June 2020 Poll of Effects of COVID-19 on Egypt, Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Figure 10 shows the changes in labour market status among those that were employed, unemployed, and out of the labour force before the COVID-19 outbreak in February 2020. Among those who were employed in February 2020, 9 per cent were unemployed using the broad definition a year later and 4 per cent were out of the labour force. Transitions to unemployment were higher for women (13 per cent) along with transitions to out of the labour force (8 per cent). Almost no women who were unemployed in February 2020 were employed a year later, and by June 2021 an increasing share were leaving the labour force (25 per cent), although a few (3 per cent) had obtained employment. Outcomes were better for men who were unemployed pre-pandemic, 38 per cent had found employment by February 2021 and 46 per cent by June 2021.

Transitions from being out of the labour force were most commonly into unemployment (31 per cent overall in February 2021 and June 2021) and sometimes into employment (10 per cent as of February 2021 and 16 per cent as of June 2021). Women were more likely to transition from out of the labour force into unemployment while men were more likely to transition into employment.

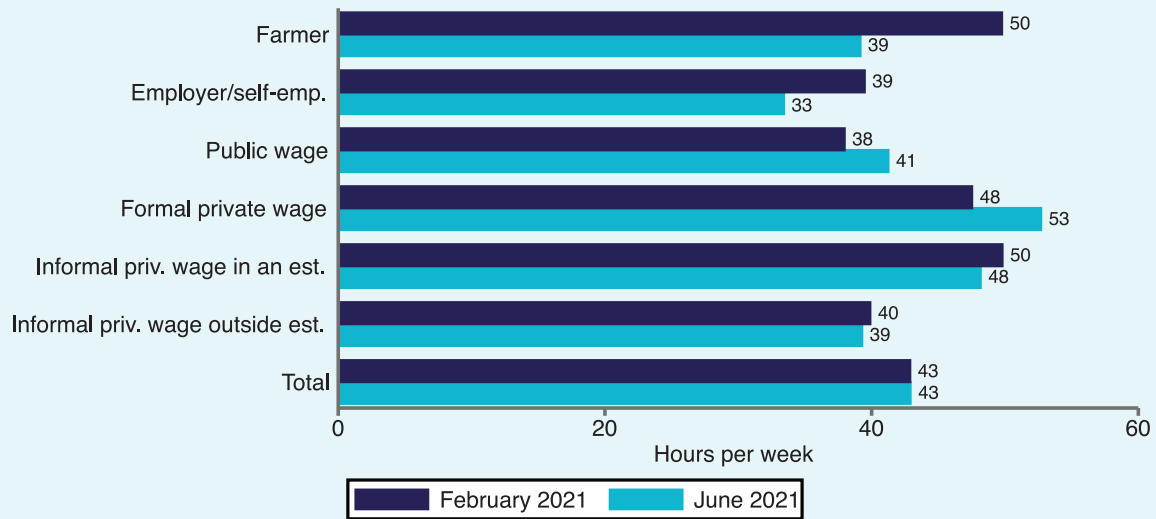
► **Figure 10:** Changes in labour market status each wave, by status in February 2020, sex and wave (percentage of February 2020 status)



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Figure 11 compares the average (mean) hours of employment per week between February 2021 to June 2021, for those employed at the time of the wave. Overall, average hours held steady at 43 per week. As a point of comparison, average hours of work were 46 per week in a nationally representative survey in 2018 (Assaad, Alsharawy, & Salemi, 2021). Across employment statuses, results were mixed. The largest increases in average hours were in formal private wage employment from 48 to 53 hours and in public wage work from 38 hours to 41 hours, returning to 2018 levels (Assaad, Alsharawy, & Salemi, 2021). Decreases in hours occurred for farmers (50 hours to 39 hours), employers or those self-employed (39 hours to 33 hours), and informal private wage workers in an establishment (50 hours to 48 hours) and informal private wage workers outside establishments (slightly, from 40 to 39 hours). While trends for farmers may be seasonal, it is notable that informal wage workers and non-wage workers were working fewer hours in 2018 (Assaad, Alsharawy, & Salemi, 2021), suggesting these segments continued to be affected by the pandemic.

► **Figure 11:** Average (mean) hours of employment per week, by status in February 2020 and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Statistics based on individuals employed in that wave.

Data were collected on both current wages and wages in February 2020 (for those who were wage workers at that time) (Figure 12 shows median monthly wages). In February 2020, the median monthly wage was 2200 Egyptian pounds, and had declined to 2000 pounds as of February 2021 before recovering to 2300 pounds in June 2021. This rise may be driven in part by selection, if workers who had been earning less left wage work. Public sector wage workers and formal private sector wage workers had stable wages the entire period, at a median of 2500 Egyptian pounds per month. Informal private sector wage workers were earning less, a median of 2000 Egyptian pounds per month pre-pandemic for those in establishments and 1700 pounds per month for those outside establishments; wages dropped for both groups by 200 pounds a year later in February 2021 but had recovered by June 2021 to pre-pandemic levels, for those engaged in wage work.

► **Figure 12:** Median monthly wages (Egyptian pounds), by status in February 2020 and wave

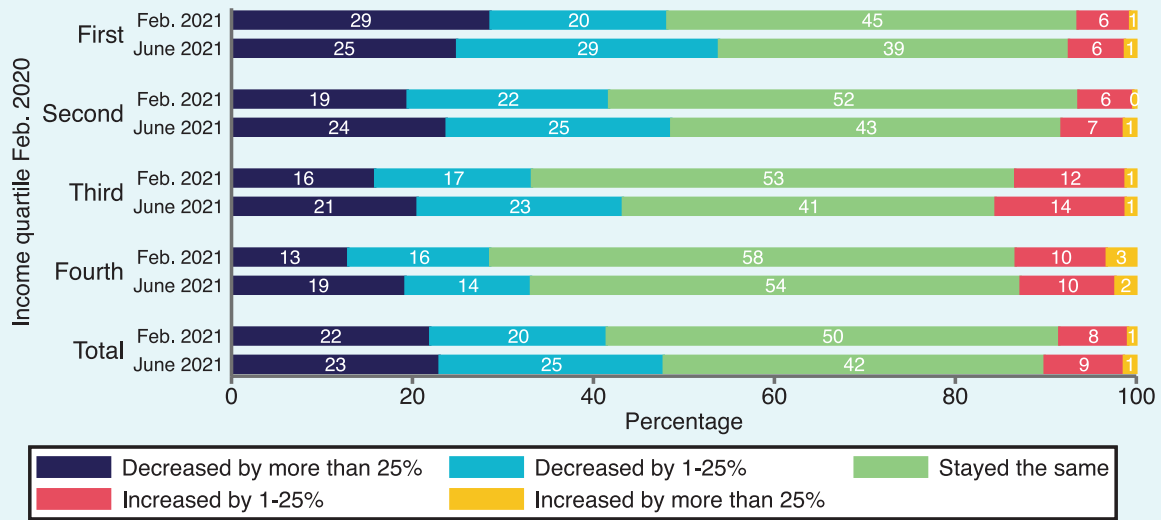


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Statistics for 2021 based on wage workers in that wave.

The changes in employment, hours, and wages have inevitably shifted households' incomes. Figure 13 shows changes in household income since February 2020, by household income quartile in February 2020. Household income decreased for 42 per cent of households as of February 2021 and this rose to 48 per cent of households by June 2021. Losses were greatest for those in the first and second income quartiles pre-pandemic. For example, 54 per cent of households in the first quartile had lost income relative to February 2020 as of June 2021. The pandemic appears to be exacerbating income inequality in Egypt.

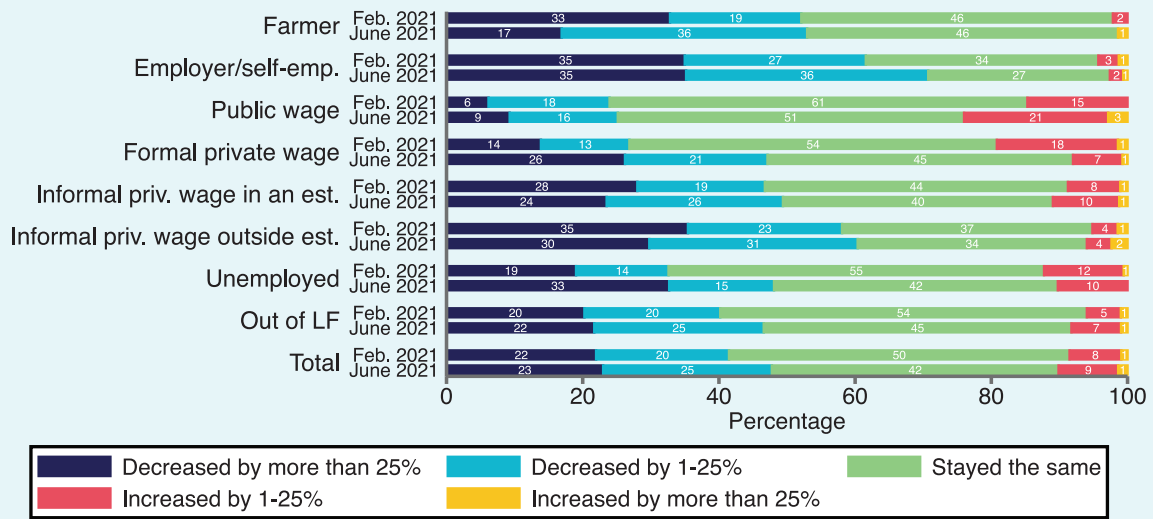
► **Figure 13:** Changes in household income from February 2020 to wave (percentage of households), by income quartile in February 2020 and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Losses in income were closely tied to labour market status (Figure 14). Employers and those self-employed saw the greatest losses in household income across all statuses (62 per cent as of February 2021 and 71 per cent as of June 2021). Public sector wage workers were the least likely to be in households with income losses and few (6-9 per cent) experienced steep income losses of more than 25 per cent. Private sector wage workers, especially informal workers and particularly those outside establishments also had large income losses, along with farmers.

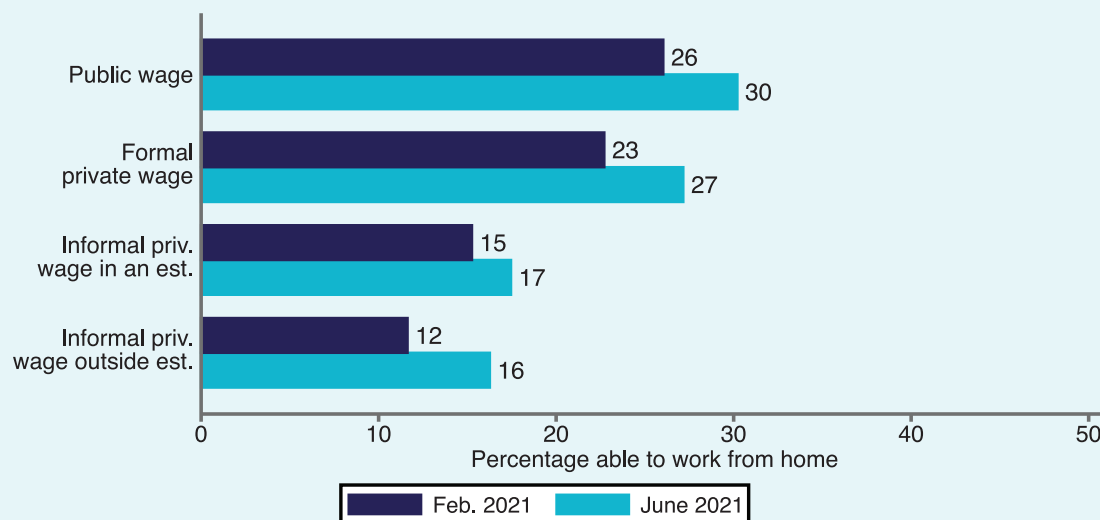
► **Figure 14:** Changes in household income from February 2020 to wave (percentage of households), by February 2020 labour market status and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Only a fraction of wage workers could work from home, although the share did expand somewhat across labour market statuses over time (Figure 15). Public sector wage workers were able to work from home at the highest rates (26 per cent to 30 per cent), followed by formal private sector wage workers (23 per cent to 27 per cent). Fewer informal workers were able to work from home (12-17 per cent across time and inside/outside establishments). Among those not able to work from home, the primary reason was it was not allowed or not possible to do their job from home (more than 85 per cent across waves).

► **Figure 15:** Percentage of wage workers able to work from home, by wave-specific labour market status and wave



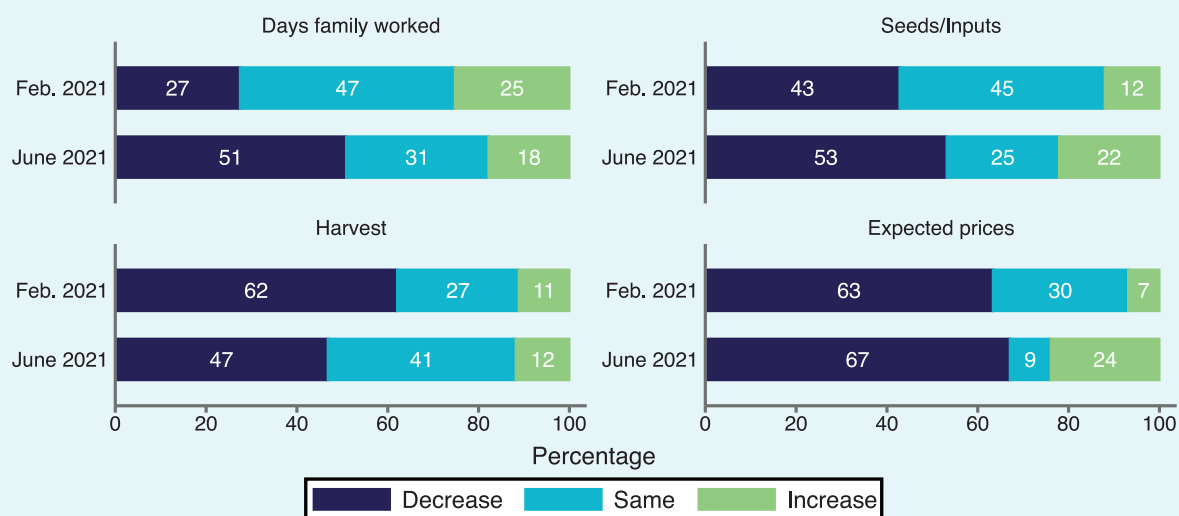
Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: If observation is base wave for individual, Feb. 2020 and contemporaneous wage work type assumed to be the same.

► 4.2 Farmers

Figure 16 shows farmer's experiences since the start of the COVID-19 pandemic. In February 2021 the number of the days the family worked had increased as much as it decreased and mostly stayed the same compared to the 2019 season (47 per cent) but by June 2021 days the family worked primarily decreased (51 per cent). Seeds and inputs decreased over time, more so in June 2021 (53 per cent), although that period also experienced a higher proportion of farmers with increased seed inputs (22 per cent). Harvests or expected harvests decreased the most in February 2021 (62 per cent) but were still often decreased in June 2021 (47 per cent). Although expected prices primarily decreased (63-67 per cent), they had also by June 2021 increased for a quarter of farmers (24 per cent).

► **Figure 16:** Farmers' experiences compared to the 2019 season (percentages), by wave



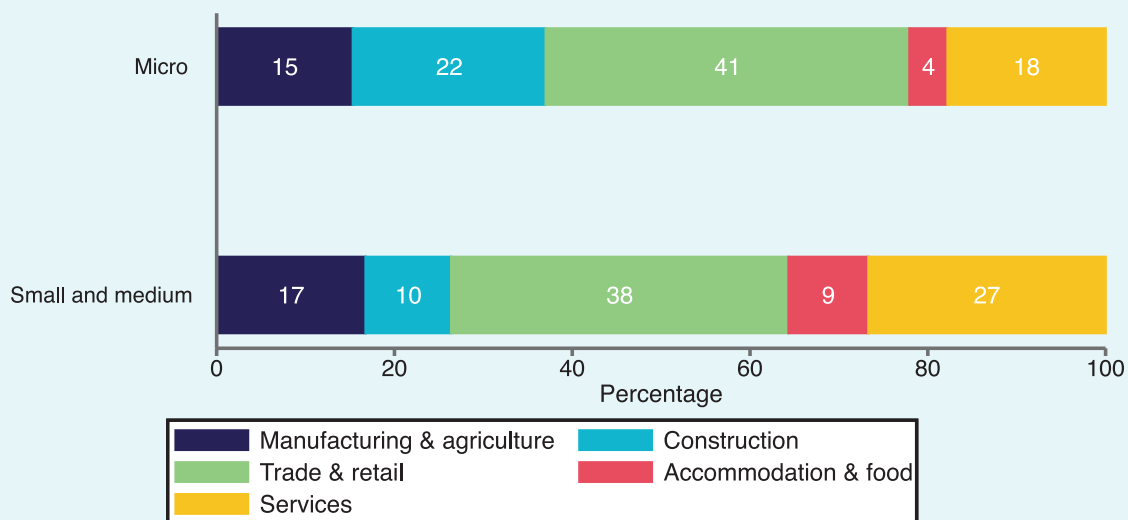
Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: If observation is base wave for individual, Feb. 2020 farmer, otherwise contemporaneously farmer.

► 4.3 Micro, small, and medium enterprises

In this section we draw on the household enterprise data from the household survey for microenterprises (1-5 workers) and the firms survey for small and medium enterprises (6-199 workers). Figure 17 presents the distribution of industries during February 2020, comparing micro and small and medium firms. The majority of micro industries were trade and retail (41 per cent), construction (22 per cent) and services (18 per cent). Small and medium industries differed slightly with trade and retail (38 per cent), services (27 per cent), and manufacturing and agriculture (17 per cent) dominating. This composition is important to keep in mind for understanding the impact of the pandemic on firms.

► **Figure 17: Industries in February 2020 (percentage), by firm size**

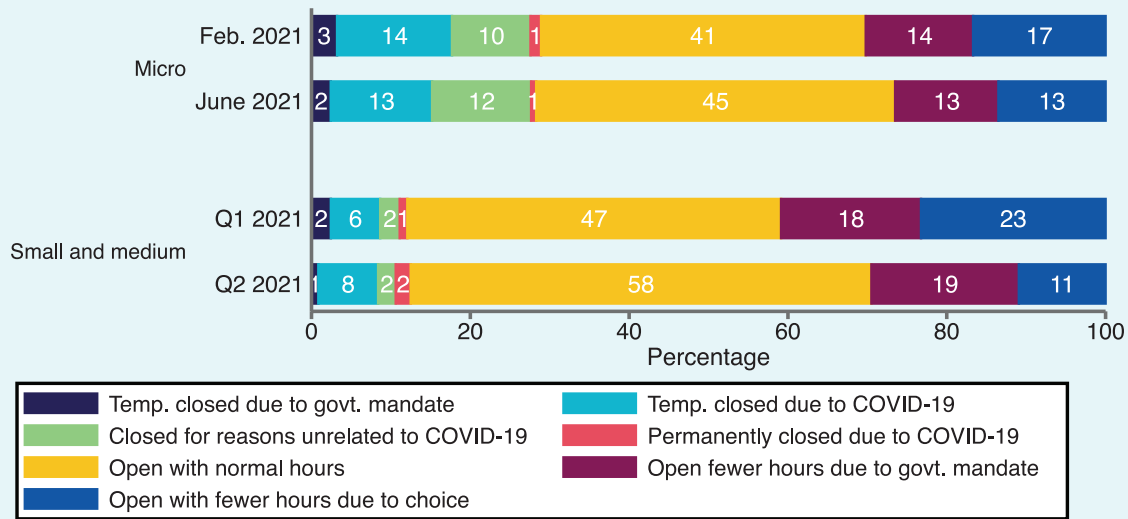


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor November 2020 and Q1 2021 waves

Among these micro, small and medium businesses, operational statuses at the time of the survey varied broadly. Enterprises often stayed open with normal hours, more so for small and medium enterprises and more so in June or Q2 2021. More microenterprises were closed (primarily temporarily) than small and medium firms, with the share staying relatively constant over time. Firms also often were open fewer hours than usual either due to government mandate or choice (possibly weak demand). There was a slight decrease in being open fewer hours over time, but it still remained the status of more than a quarter of micro and small and medium firms in mid-2021.

¹⁴ Our data likely underestimate closures, since firms that did not respond to the survey might have done so because they closed.

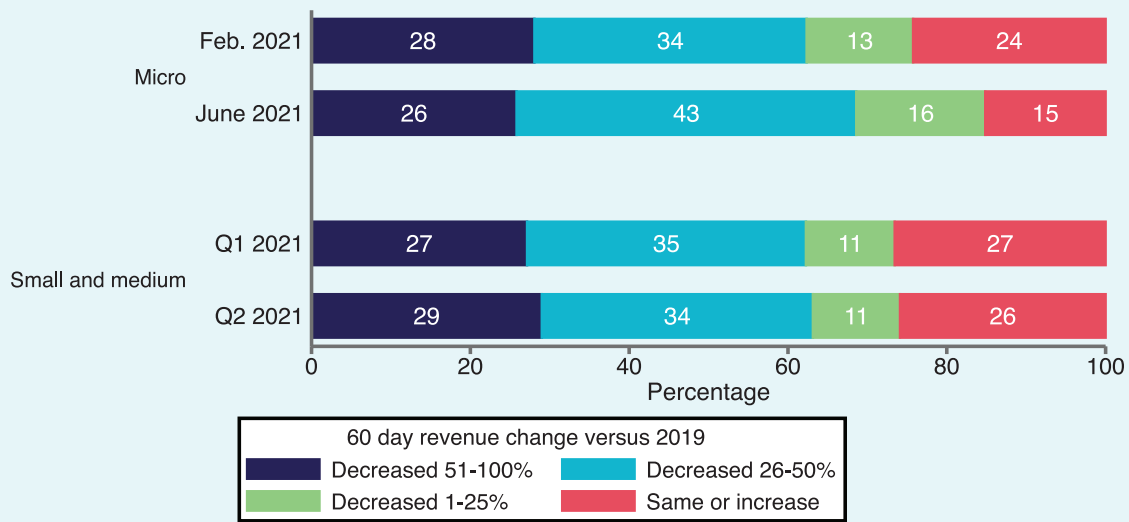
► **Figure 18:** Operational status of enterprises (percentage), by size and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor November 2020, February 2021, April 2021, June 2021, Q1 2021, and Q2 2021 waves

Enterprises were asked about their revenue in the 60 days preceding the survey compared to their 2019 revenue for the same period (Figure 19). Overall, a fairly similar and constant share of micro, small, and medium enterprises experienced major decreases in revenue of 51 percent or more (26-29 per cent). Decreases of 26-50 per cent were also very common (34-43 per cent of firms), whereas small decreases were less common (11-16 per cent). Only a quarter (15-27 per cent) of firms had the same or increasing revenue.

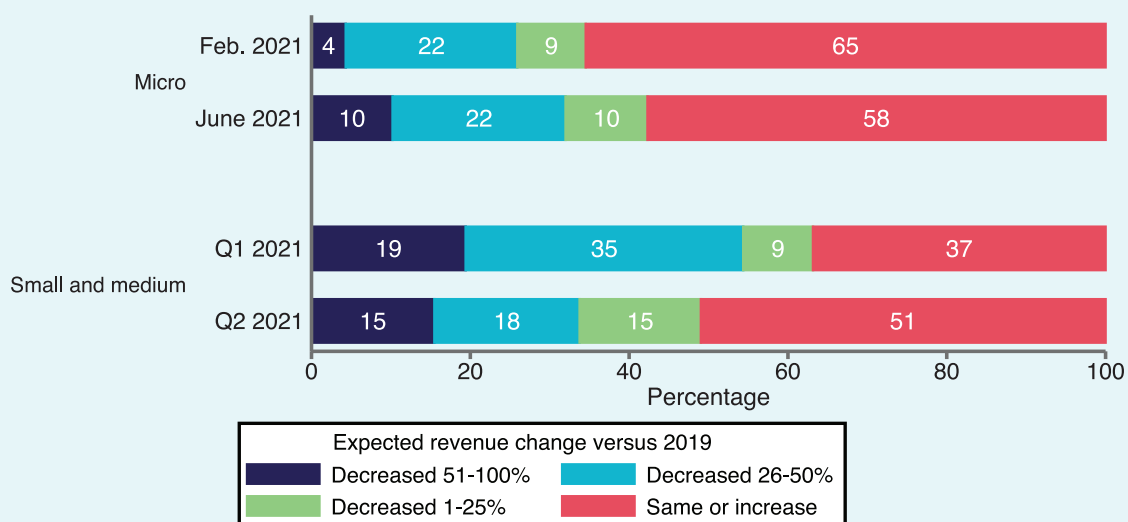
► **Figure 19:** Revenue changes of enterprises, past 60 days compared to same season in 2019 (percentage), by size and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

Although current revenues remained consistently down, firms were slightly more optimistic about the future (Figure 20). More than half of firms expected the same or increased revenues in June 2021 compared to 2019. Small and medium enterprises were more likely to expect decreases, but became more optimistic over time, while micro firms became slightly more pessimistic. These expectations will affect firm behaviour; firms anticipating ongoing challenges will be less likely to invest or hire.

► **Figure 20:** Expected annual revenue changes of enterprises, compared to 2019 (percentage), by size and wave

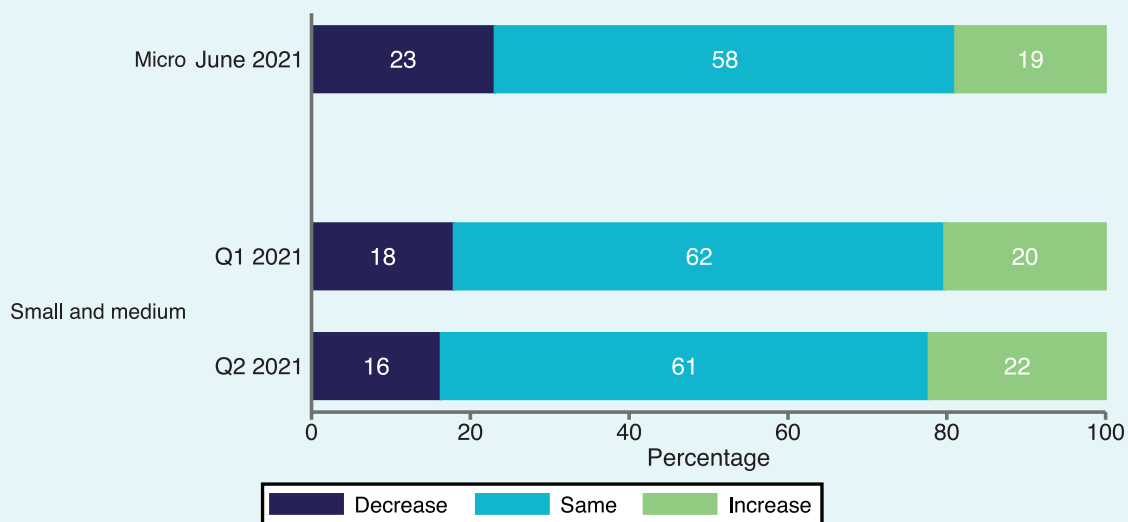


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

Notes: Q1 2021 asked about 2020 year, all others refer to year at fielding.

As seen in Figure 21, employment changes while coping with the pandemic varied across micro and small and medium enterprises. Micro enterprises were slightly more likely to report decreased employment (23 per cent) than increased employment (19 per cent) in June 2021. Small and medium firms were a little less likely to report decreased employment (18 per cent in Q2 of 2021) and slightly more likely to report increased employment (20 per cent in Q2 2021) compared to February 2020. This weak employment growth in surviving firms in our sample corroborates the ongoing labour market challenges reported by workers.

► **Figure 21:** Employment changes of enterprises, compared to February 2020 (percentage), by size and wave

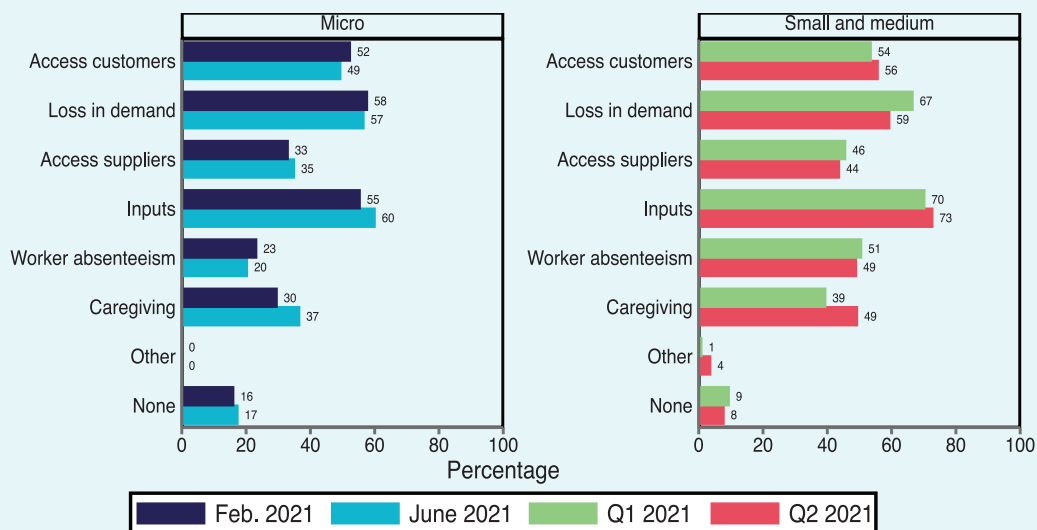


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

Notes: contemporaneous employment for household enterprises only collected in panel data (thus February 2021 not available).

There were a variety of difficulties facing enterprises in the sixty days preceding the survey (Figure 22). Inputs were a key challenge (55-73 per cent across size and time) followed by loss in demand (57-67 per cent) and closely related access to customers (49-56 per cent). Worker absenteeism was less of a challenge for microenterprises (which may have no workers) and more of a challenge for small and medium firms (49-51 per cent). Caregiving responsibilities were also a substantial challenge (30-49 per cent). Most difficulties have decreased or remained the same over time, with the exception of inputs and caregiving, as these challenges increased.

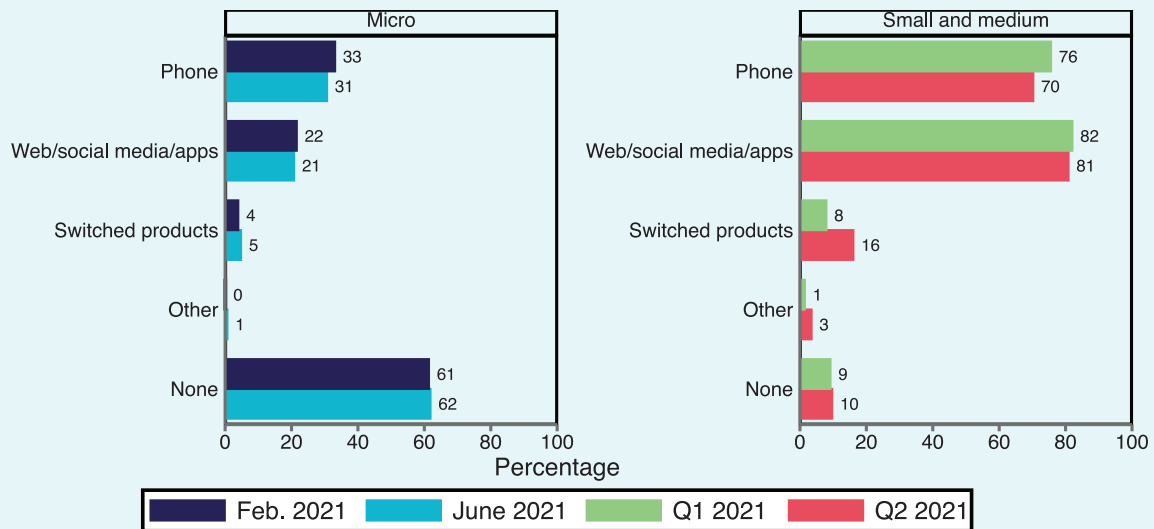
► **Figure 22:** Difficulties facing enterprises in the past 60 days (percentage), by size and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

To cope with the pandemic, many enterprises chose to adjust their business model in order to reduce physical contact with customers (Figure 23). The majority of micro businesses made no adjustment (61-62 per cent). Very few small and medium enterprises made no adjustment (9 per cent to 10 per cent). Increasing the use of phones and web/social media/apps as part of the business model was common, more so for small and medium enterprises. Few micro enterprises (4-5 per cent) switched products, but more small and medium enterprises did so (8 per cent as of Q1 2021 and 16 per cent as of Q2 2021).

► **Figure 23:** How enterprises adjusted business model to reduce physical contact with customers (percentage), by size and wave

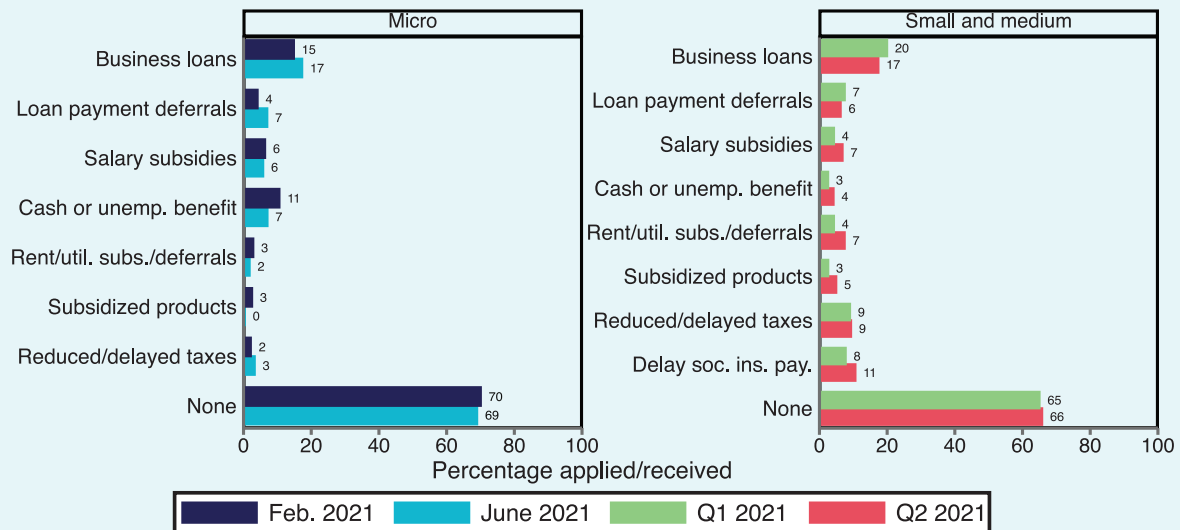


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

Notes: Multiple responses possible.

Government policies can provide an important support during the pandemic and a number of policies targeting micro, small, and medium enterprises were implemented in Egypt. Yet the majority of enterprises had not received nor applied for assistance (Figure 24). There was very little change in this pattern over time. Small and medium enterprises were slightly more likely to apply for or receive assistance. Business loans were common (15-20 per cent over time and across firm sizes). Small and medium enterprises also often reduced or delayed taxes or social insurance payments (9-11 per cent). Microenterprises particularly received cash or unemployment benefits (7-11 per cent over time).

► **Figure 24:** Government programs received or applied for (percentage), by size and wave

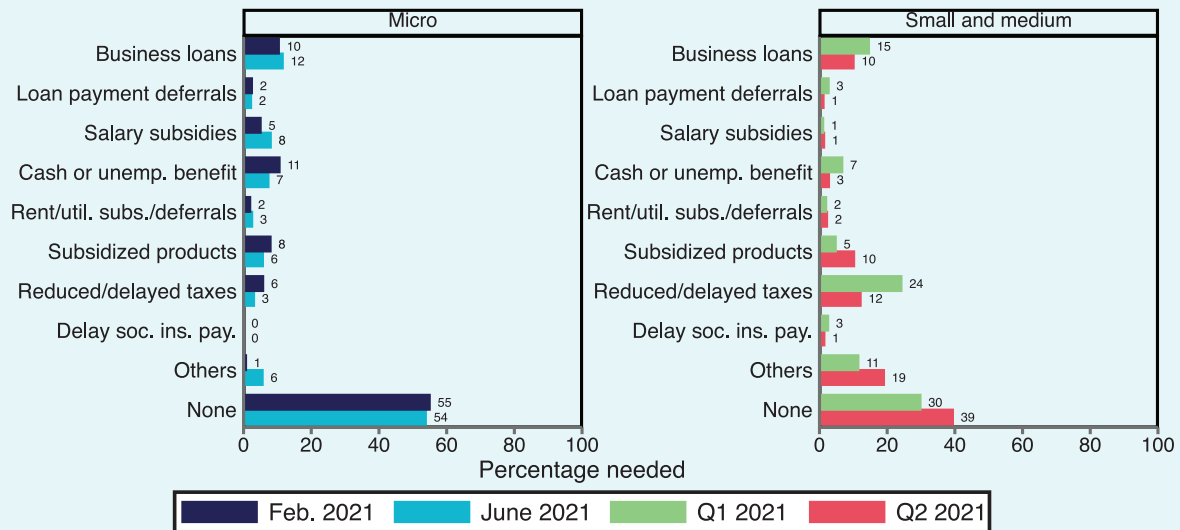


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

Notes: "Others" not asked about applied/received. Multiple responses possible for applied received, only one response for policy most needed.

More businesses reported that they needed assistance (Figure 25) than were receiving assistance (Figure 24). While 54-55 per cent of microenterprises reported they did not need assistance, in Q1 2021 30 per cent of small and medium enterprises said they did not need assistance; this improved slightly to 39 per cent in Q2 2021. Reduced and delayed taxes were a particular concern for small and medium firms (which are much more likely to be formal), whereas micro firms were particularly interested in loans, cash/unemployment benefits or salary subsidies, and subsidized products.

► **Figure 25:** Government programs most needed (percentage), by size and wave



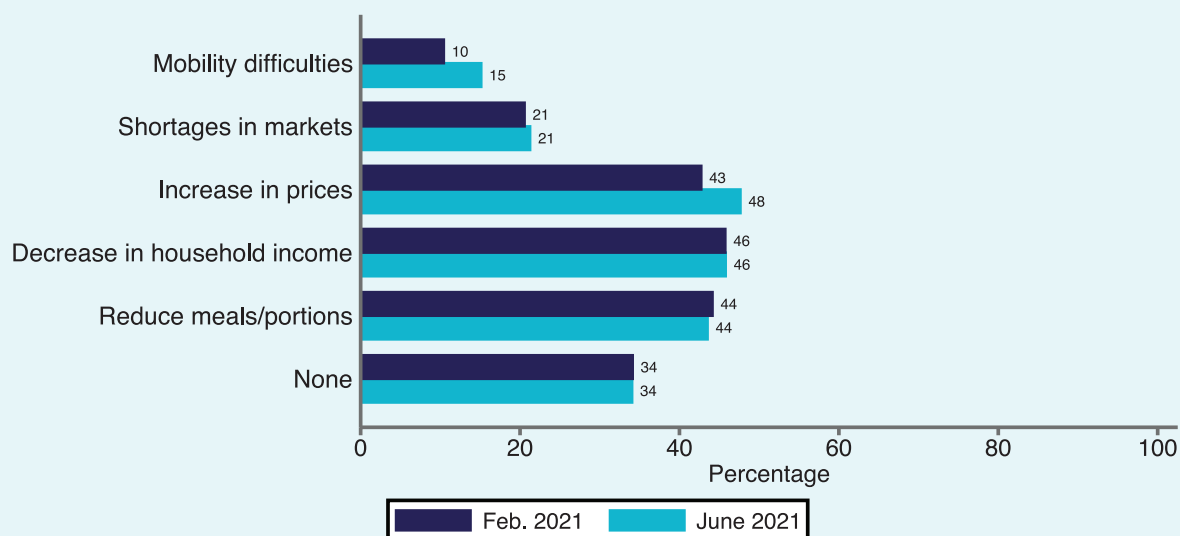
Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021, June 2021, Q1 2021, and Q2 2021 waves

Notes: "Others" not asked about applied/received. Multiple responses possible for applied received, only one response for policy most needed.

► 4.4 Shocks and coping

The COVID-19 pandemic and associated economic, social, and policy shifts created a number of shocks to the lives and livelihoods of Egyptians. This section explores how households coped with the shocks, including food insecurity, coping strategies, and social assistance. As illustrated in Figure 26, food insecurity affected two-thirds of households in the seven days preceding the survey, with households commonly facing a number of food security challenges. Households were unable to buy the usual amount of food both due to reductions in household income (46 per cent) and increases in prices (43-48 per cent). Government restrictions also contributed to mobility difficulties in accessing markets (10-15 per cent) and there were sometimes shortages in markets (21 per cent). Ultimately, almost half (44 per cent) of households had to reduce their meals or portions. This food insecurity is a troubling consequence of the pandemic, as it can have lasting consequences for health and human capital.

► **Figure 26:** Household food insecurity (percentage of households), by wave

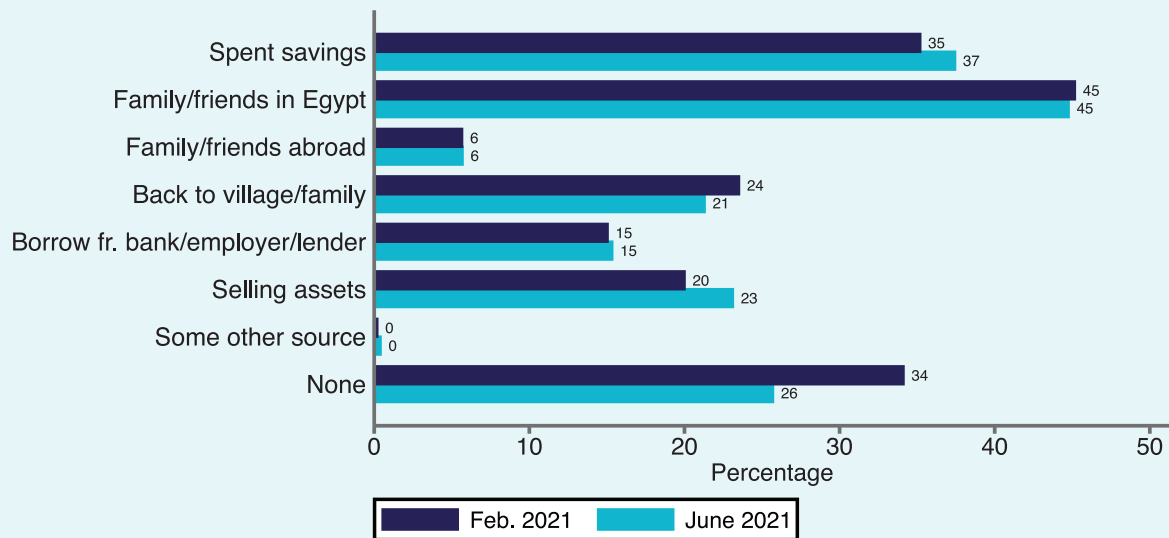


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Food security questions asked: "In the past 7 days, have you or any household member experienced any of the following?" "Mobility difficulties" is based on the question "Difficulties in going to food markets due to mobility restrictions imposed by government/closures." "Shortages in markets" is based on the question "Unable to buy the amount of food we usually buy because of shortages of food in markets." "Increase in prices" is based on the question "Unable to buy the amount of food we usually buy because the price of food increased." "Decrease in household income" is based on the question "Unable to buy the amount of food we usually buy because our household income has dropped" and "Reduce meals/portions" is based on the question "Had to reduce the number of meals and/or the portion of each meal we would usually eat."

As well as reducing food intake, as illustrated in Figure 27 many Egyptian households employed other coping strategies to support themselves in the face of the shocks of the COVID-19 crisis. Households commonly received assistance from family and/or friends in Egypt (45 per cent), spent their savings (35-37 per cent), went back to their village or family (21-24 per cent), sold assets (20-23 per cent). Some households borrowed from the bank, their employer, or a lender (15 per cent) or relied on family/friends abroad (6 per cent). More households had resorted to some coping strategy as of June 2021 (74 per cent) than February 2021 (66 per cent). Social support networks, as well as reductions in assets and savings, played an important role in coping with the pandemic. The loss of assets and savings is particularly troubling in terms of increasing the risk of poverty long-term.

► **Figure 27:** Household coping strategies since Feb. 2020 (percentage of households), by wave

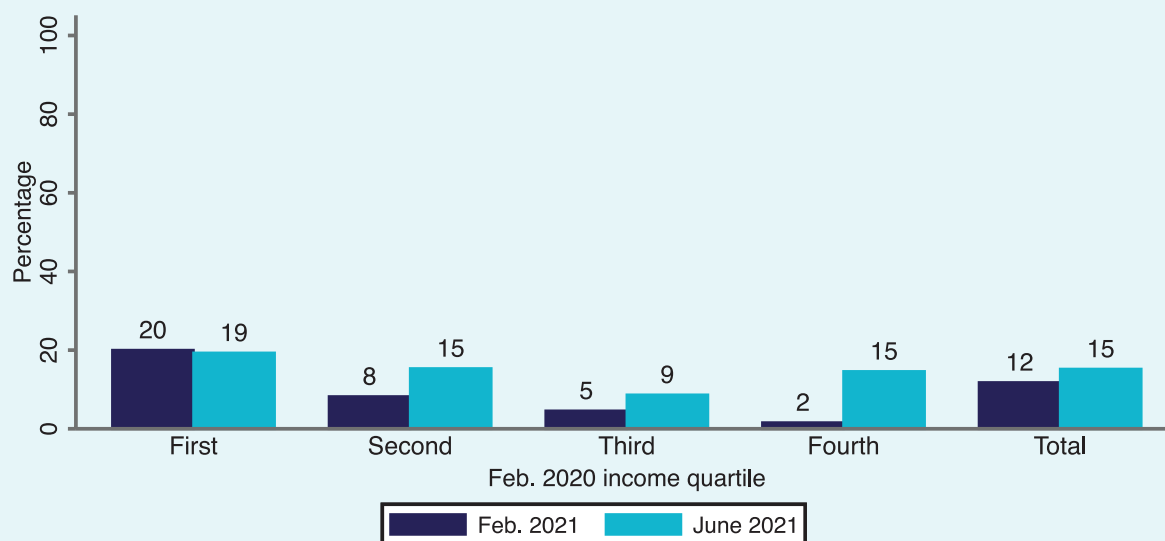


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Coping strategies are cumulative over time.

Social assistance – both long-term programs and emergency assistance – played a small but important role in coping with the pandemic (Figure 28). As of February 2021, 12 per cent of households had received government assistance, and this rose to 15 per cent by June 2021. Although those who were the lowest income (first quartile) pre-pandemic had the most assistance (19-20 per cent), it was particularly the other quartiles that experienced increases in assistance over time.

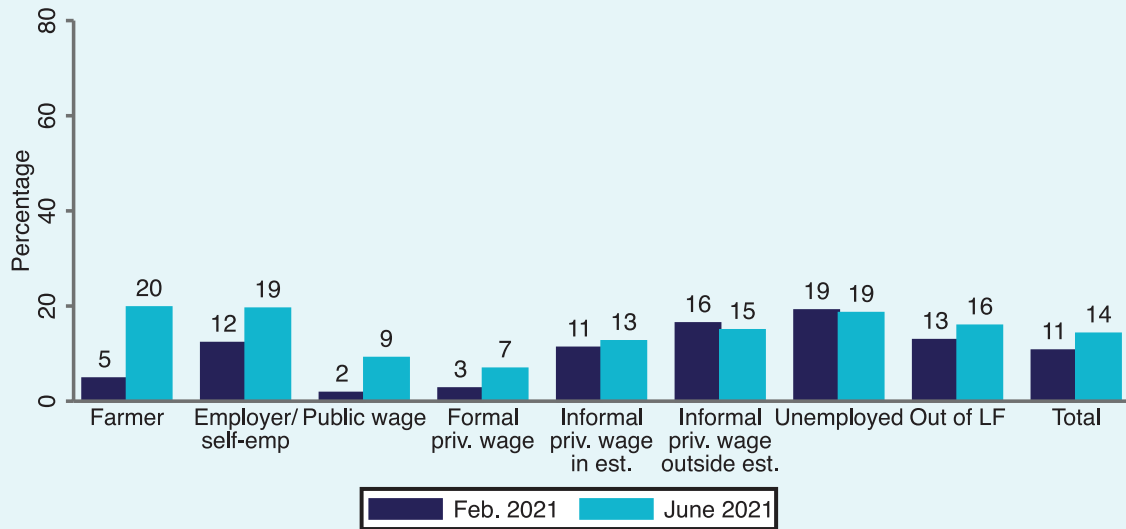
► **Figure 28:** Receiving government assistance (percentage of households), by February 2020 income quartile and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Across labour market statuses there was a wide variability in those who received government assistance (Figure 29). Initially, in February 2021, informal wage workers outside establishments (16 per cent) and the unemployed (19 per cent) were the most likely to receive assistance, followed by those out of the labour force (13 per cent), employers/the self-employed (12 per cent) and informal wage workers in establishments (11 per cent). The increase in June 2021 was particularly concentrated among farmers, employers/the self-employed, public wage workers, and formal private wage workers.

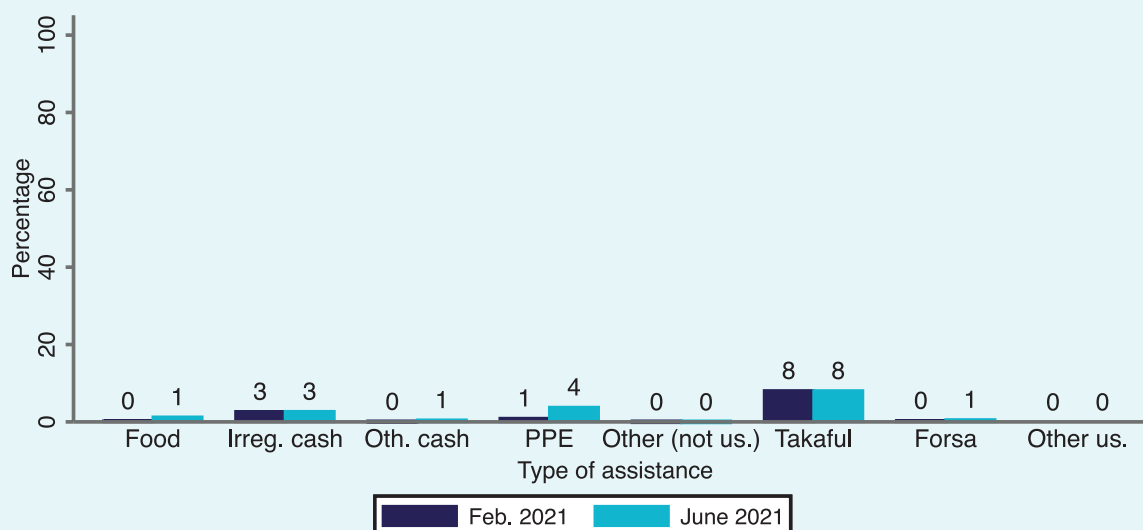
► **Figure 29:** Receiving government assistance (percentage), by labour market status in February 2020 and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

In Figure 30 we explore the types of government assistance received. Most common was the Takaful program (8 per cent), followed by cash for irregular wage workers (3 per cent). Personal protective equipment (PPE) was the program that increased the most over time (from 1 per cent to 4 per cent), which may explain why public sector and formal private sector wage workers saw increases in assistance.

► **Figure 30:** Receiving specific government assistance (percentage of households), by wave

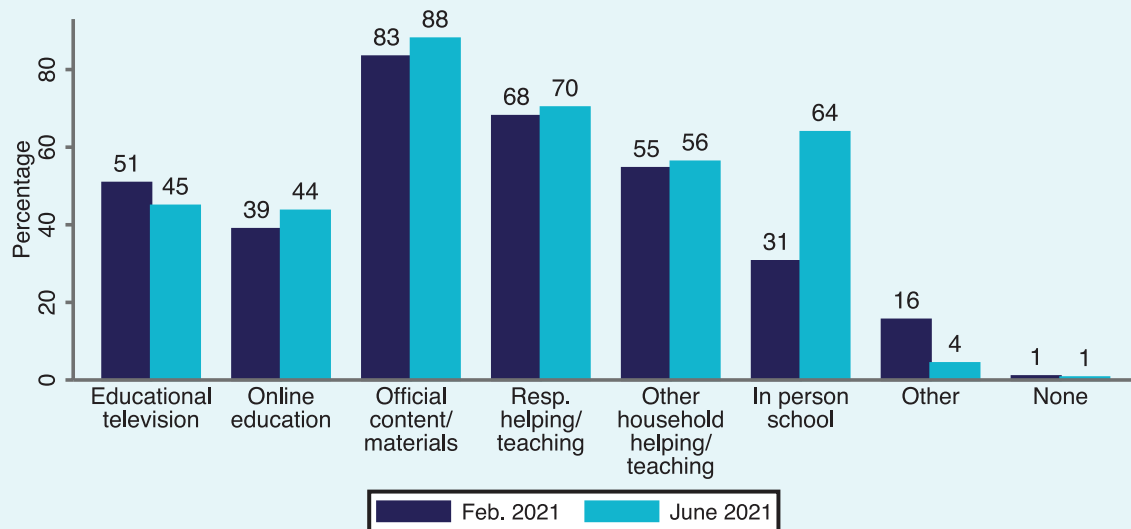


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

► 4.5 Education and care work

The COVID-19 pandemic initially shut down schools, and closures during additional waves of the pandemic also limited in-person schooling. As discussed in the policy background section, schools were fully closed for the remainder of the 2019/20 academic year. The closures were loosened in the 2020/21 academic years to be more selective and targeted. Families therefore used a variety of educational strategies (Figure 31). The majority of respondents reported children worked through official content and materials (83-88 per cent), that respondents were responsible for helping or teaching children (68-70 per cent) or that other household members were responsible for helping and/or teaching (55-56 per cent). Additionally, there was a substantial increase in in-person schooling, from 31 per cent of children in February 2021 to 64 per cent of children in June of 2021. Online education (39-44 per cent) and educational television (45-51 per cent) also played an important role in educational activities.

► **Figure 31:** Educational activities of children (percentage of households), by wave

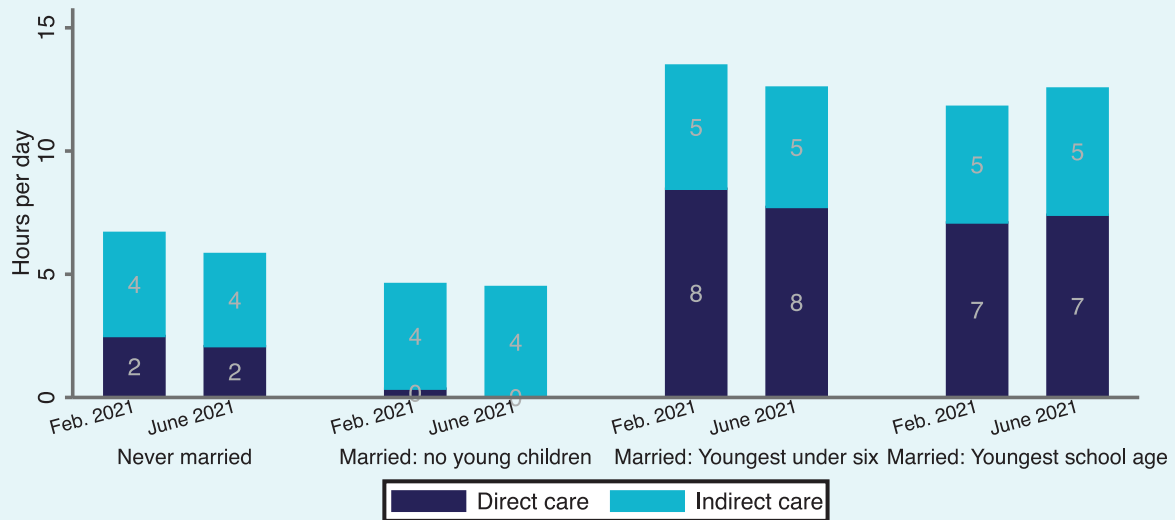


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Multiple responses possible.

The time women spent on direct and indirect care work varied depending on their marital status and the age of their children (Figure 32). Direct care is time spent taking care of children (exclusively or while doing other things) while indirect care is housework (cooking, cleaning, washing dishes, shopping, and so on). Those married with their youngest child under six had the highest number of hours of direct care (8 hours per day) and indirect care (5 hours per day). Those with school-age children reported only one less hour of direct care per day. Indirect care averaged four hours per day for both never married and married women with no young children. Never married women also engaged in two hours of direct care on average (likely for siblings).

► **Figure 32:** Average hours of direct and indirect care work per day, by family composition and wave, women

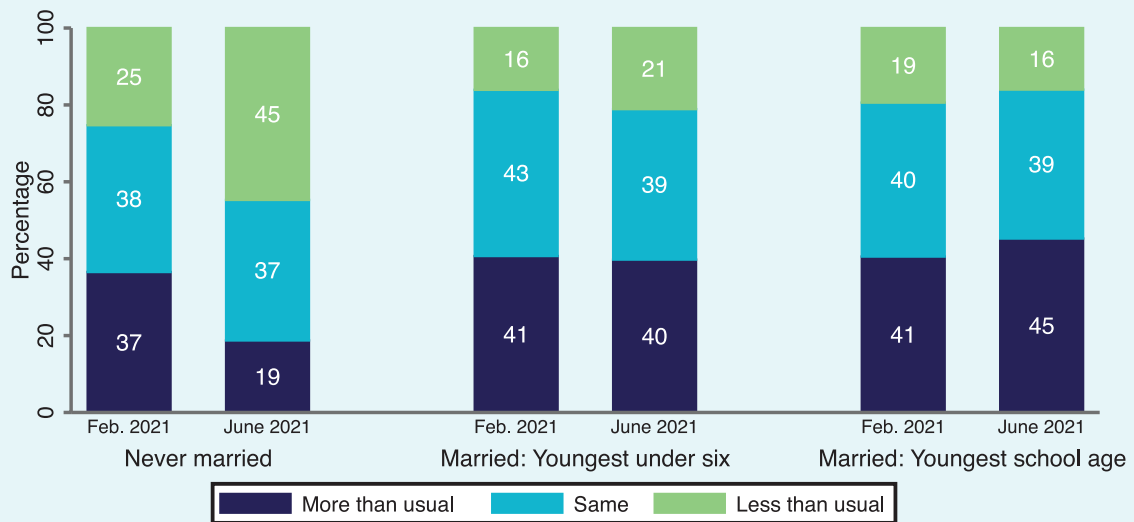


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Direct care is time spent taking care of children (exclusively or while doing other things) while indirect care is housework (cooking, cleaning, washing dishes, shopping, and so on).

Figure 33 shows respondents' perceptions of time spent on care for children in the week preceding the survey compared to February 2021. Respondents with young or school age children commonly reported spending more time than usual (40-45 per cent). This remained true in both February 2021 and June 2021. Although self-reported and potentially subject to recall bias, this additional care work may limit women's ability to continue or return to employment outside the home.

► **Figure 33:** Care for children in the past week compared to February 2020 (percentage), by family composition and wave, women

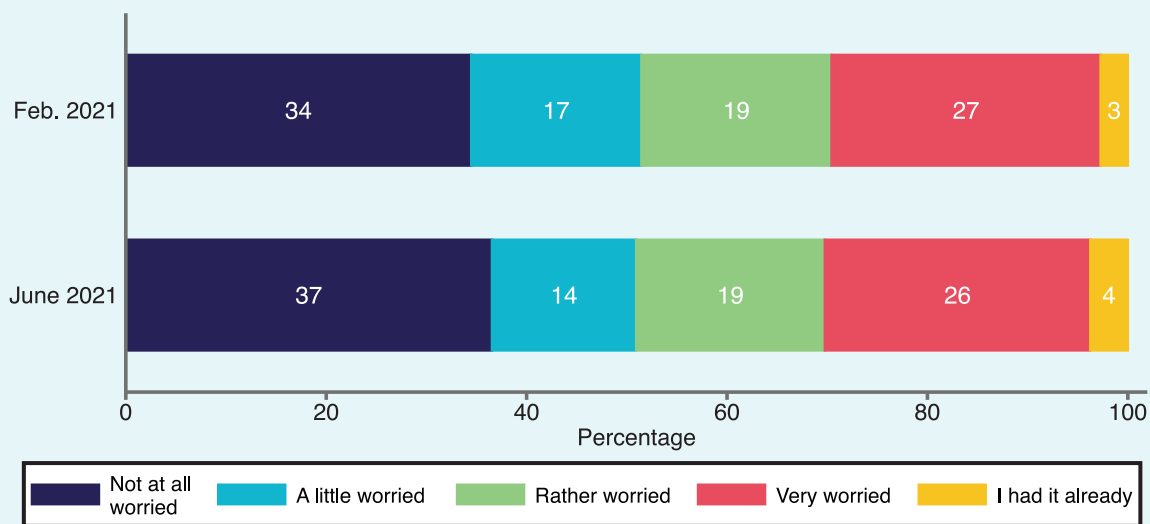


Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

► 4.6 Health

The COVID-19 pandemic is an ongoing public health challenge, but health behaviours can help reduce the risk of infection. Figure 34 shows how worried respondents were about infection with COVID-19. A third (34-37 per cent) of respondents were not at all worried and 14-17 per cent only a little worried. In contrast, 19 per cent were rather worried and 26-27 per cent very worried. A further 3-4 per cent reported they had COVID-19 already. There were few changes over time in the level of worry expressed by respondents.

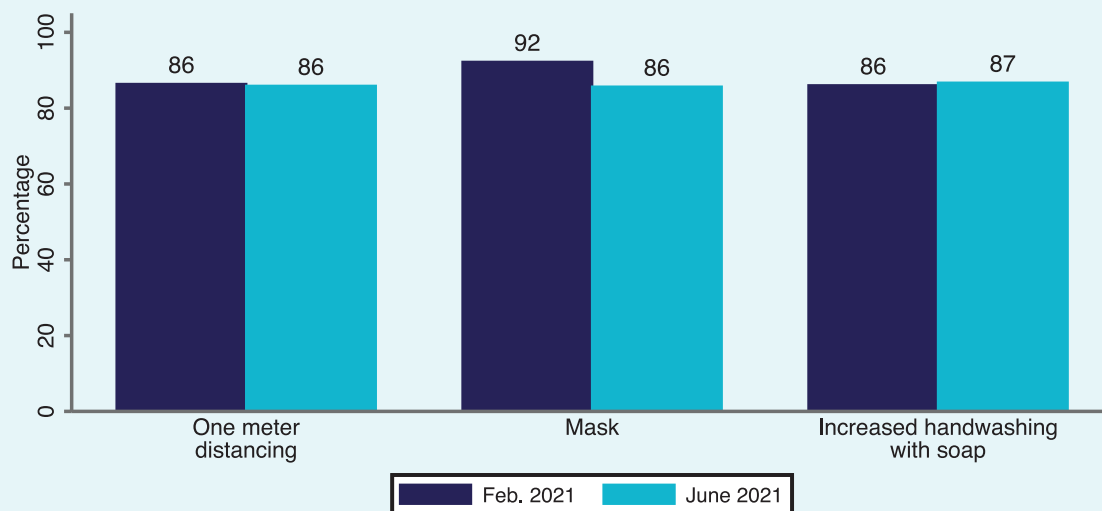
► **Figure 34:** Worry level about infection with COVID-19 (percentage), by wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

The survey asked about three key health behaviours for combating COVID-19 (Figure 35): one-meter distancing, wearing masks, and increased handwashing with soap. Respondents generally reported high levels of all these health behaviours (86-92 per cent), although self-reports must be interpreted with some caution. Despite a reduction in mask usage (92 per cent to 86 per cent), distancing and handwashing remained relatively constant (86-87 per cent).

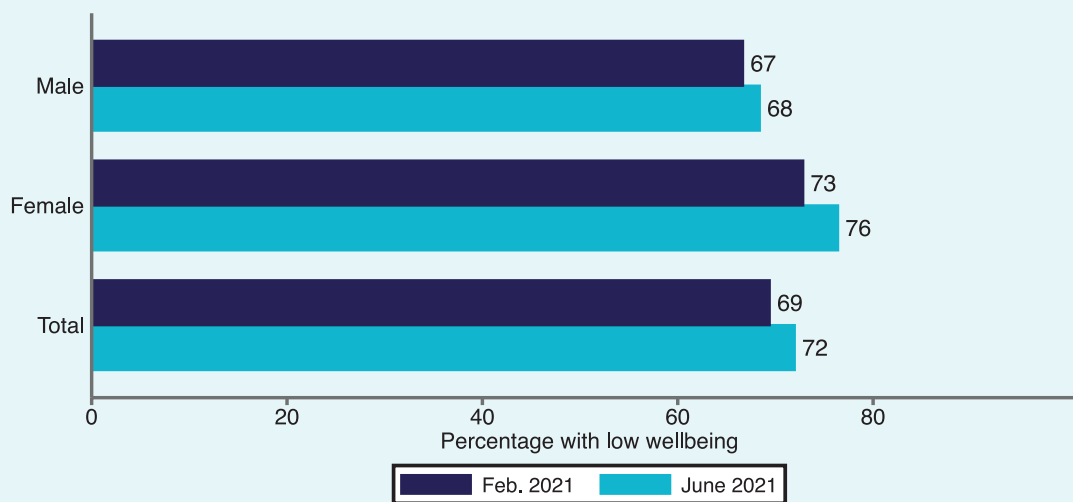
► **Figure 35:** Health behaviours (percentage), by wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

The pandemic and associated health and economic shocks have presented a substantial challenge in terms of wellbeing. Figure 36 displays a measure of low wellbeing based on the WHO-5 scale (Topp, Østergaard, Søndergaard, & Bech, 2015). Respondents reported high rates of low wellbeing, 69 per cent had low wellbeing in February 2021 and this rose to 72 per cent in June 2021, with men having greater risk of low wellbeing as well as a larger increase in low wellbeing over time. Notably, these rates show an increase in low wellbeing compared to 2018, when 45 per cent of Egyptians aged 15 and older reported low wellbeing (Sieverding & Hassan, 2021).

► **Figure 36:** Rates of low wellbeing (percentage), by sex and wave



Source: Authors' calculations based on Egypt COVID-19 MENA Monitor February 2021 and June 2021 waves

Notes: Based on the WHO-5 scale and a cutoff of <50 as the score for low wellbeing.



5. Conclusions

The government of Egypt undertook a number of health, economic, and labour market actions to try to cushion the effects of the pandemic. Egypt had a less severe experience with the COVID-19 pandemic than some of its neighbours in North Africa and the Middle East, but the pandemic still exacted a toll on the wellbeing of the population. With the degree of informality in employment arrangements, employment inadequacy is less likely to be felt as outright unemployment or even reductions in employment, and more likely to be experienced as a reduction in hours of work and therefore income for those whose income depends directly on how much work they have (Krafft & Assaad, 2014; Assaad & Krafft, 2015). Having said that, some groups with a more tenuous connection to the labour market may see their employment being affected. These include women whose inability to work could just as much be the result of supply-side factors, such as increased care responsibilities, as the result of reductions in labour demand. Unemployed young people can also find it particularly hard to find work in the midst of the pandemic, as indicated by relatively limited transitions from unemployment to employment, again, especially for women, and increasingly frequent transitions from out of the labour force to unemployment rather than employment.

Formal sector workers, whether public or private, whose income is not directly linked to the volume of work they perform, were substantially shielded from the effects of the downturn in economic activity caused by the pandemic. Moreover, a higher fraction of them were able to work remotely, further shielding them from disruptions. Self-employed and informal wage workers, on the other hand, receive incomes that are directly tied to the level of economic activity and can experience persistent declines in income and revenues. Self-employed owners of microenterprises and the contributing family members that work with them were particularly vulnerable and continued to experience reductions in income through June 2021. Similarly, informal wage workers, especially those who work outside of fixed establishments, are dependent on what work they can find at any given time. Although these workers saw their wages recover between February and June 2021 (for those who remained employed), their work hours did not fully recover.

While microenterprises experienced similar dynamics as households and informal workers, the fate of small and medium enterprises was somewhat different. There was relative stability in the proportions of small and medium enterprises reporting decreases in income relative to the same season in 2019. Despite this, small and medium enterprises, like microenterprises, continued to report challenges at virtually the same rate in the second quarter as in the first quarter. Although fewer reported difficulties associated with loss of demand, more reported difficulties associated with access to inputs.

These income dynamics had substantial adverse effects on household wellbeing. Households continued to report high levels of food insecurity and increasing reliance on measures to cope with the difficulties they faced; measures that can jeopardize their future income security, such as spending down savings and selling assets. Most worryingly, household responses on standard mental health questions suggest a very high and increasing rate of low wellbeing in the population. This is happening at a time when the social safety net is proving inadequate to the needs of households during tough times. With only 15 per cent of households accessing safety net measures other than the ubiquitous food ration cards, many are falling through the cracks. The expansion of the Takaful and Karama cash transfer program and the institution of a special cash transfer for irregular workers were clearly essential measures that provided highly needed levels of social protection, but their coverage and scope were clearly not sufficient to meet the need.



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6. Appendix 1: Sampling and weights: household survey

The sample universe for the household survey was mobile phone users aged 18-64. Random digit dialling, within the range of valid numbers, was used, with up to three attempts if a phone number was not picked up/answered, was disconnected or busy, or picked up but could not complete the interview at that time. Samples were stratified by country-specific market shares of mobile operators.

For follow-up waves, previous wave respondents were recontacted if they consented to follow-up in the previous wave. Up to three attempts were used, including contacting second and family/friend numbers, if provided in the previous wave, on the third call. If the individual could not be reached or refused, a refresher individual was added to the sample in their place, randomly selected as with base wave respondents.

6.1 Initial weights

This section discusses the initial, base wave weights, and a subsequent section discusses panel weights and then refresher and combined weights.

Inverse probability weighting was undertaken to reduce bias along a number of observable dimensions. Weights were created on three levels: Individual, household, and household member. Weights had the following inputs:

- ▶ Telephone operators and their market shares, provided by the data collection firm
- ▶ Number of phones by operator for individuals (individual weight) and household members (household weight and household member weight)
- ▶ Representative data with comparable demographic and household characteristics to weight for non-response

Denote individuals as i (ranging from 1 to N) and households as h (ranging from 1 to N). Denote the number of phones from a particular operator, o , as $t_{(o,i)}$ (operators ranging from 1 to M). Denote as T_o the total number of phones there should have been in the sample from o , given the total number of phones observed and market shares, as T_o .

We then generated initial market-share individual weights as:

$$w_i = 1 / \sum_1^M [(\sum_1^N t_{(o,i)}) / T_o] * t_{(o,i)}$$

With these individual weights, we then pooled the phone surveys with representative in-person surveys and used a probit model weighted with survey weights (for the representative survey) and w_i (for the COVID-19 monitor data) to estimate the probability an individual with particular characteristics was in the phone survey data. The predicted probability from that model, p_i , was used to generate individual weights for the COVID-19 monitor data as:

$$w'_i = w_i * (1 - p_i) / p_i$$

We likewise generated initial market-share household weights as:

$$w_h = 1 / \sum_1^M [(\sum_1^N t_{(o,h)}) / T_o] * t_{(o,h)}$$

Which accounts for the number of phones in the household, across all members, and thus for a higher probability of sampling a household with more members or more phones. The predicted probability from the individual level model was combined with the market-share household weight to generate a household weight as:

$$w'_h = w_h * (1 - p_i) / p_i$$

Household member weights were calculated by multiplying household weights by household size. Household and individual weights (but not member weights, for internal consistency) were all winsorized at the 99th percentile to ensure that no outlier weight drove statistics. Weights were then normalized by dividing by the mean weight.

The representative in-person national survey sample used to generate weights was the Egypt Labor Market Panel Survey 2018 (OAMDI, 2019; Krafft, Assaad, & Rahman, 2021) (OAMDI, 2019; Krafft, Assaad, & Rahman, 2021).

This was selected as the most recent publicly available data with individual phone ownership and relevant demographic and labour market characteristics. Table 2 displays the covariates included in the weighting models for the June 2020 Poll and Egypt (2021) COVID-19 MENA Monitor.

► **Table 2.** Covariates included in weighting models

Covariate	Egypt (June 2020 Poll)	Egypt (2021)
Sex	X	X
Age group	X	X
Education level	X	X
Household size (categorically)	X	X
Labour mkt. status in Feb. 2020	X	X
Administrative geography	Governorate	Governorate
Urban v. rural	X	X
Int. b/w admin. geo. and urban	X	X
Marital status		X
Presence of kids 0-5		X
Presence of kids in school		X
Int. of covariates and sex	X	X

Notes: Labour market status in Feb. 2020 was mapped onto labour market status at the time of the representative national survey for Egypt (June 2020 Poll) data.

▶ 6.2 Panel weights

All respondents who consented to follow up in the prior wave were contacted in an attempt to include them in the subsequent wave. We compute a response adjustment factor, r , to weight the households and individuals retained in the panel from one wave to the next, based on the predicted probability of attrition, $\text{Pr}(A)$, from a probit model with attrition as the binary outcome, as follows:

$$r = \frac{1}{1 - \text{Pr}(A)}$$

This response adjustment factor multiplies the preceding wave household, household member, and individual weights for panel households that were retained, in order that they can represent the preceding (and ultimately base) wave universe.

The panel attrition models use a few base wave variables in addition to those used for initial weighting (Table 2). Specific additional variables are:

- ▶ Telephone operator
- ▶ Household income (categorically) in February 2020
- ▶ Base wave labour market status (employed, unemployed (search required), out of labour force)
- ▶ Interactions with sex for categorical income and base wave labour market status

▶ 6.3 Refresher and combined weights

The refresher weights are created in an identical fashion to the base wave, initial weights, but for the refresher samples within the subsequent waves of the panel. For subsequent waves (waves after the base wave), cross-sectional weights combine the panel and refresher data. Weights are normalized to one within each of the panel and refresher samples and then combined into a single, representative cross-sectional weight.

7. Appendix 2: Attrition and non-response: household survey

This appendix describes non-response and attrition between waves for the household survey. Attrition could occur between waves if respondents did not consent to follow-up, or if they were unreachable, refused, or did not successfully complete the subsequent wave. Table 3 shows responses and response rates for Egypt. In terms of panel follow up, 44.2 per cent (883 of 2,000) of Feb. 2021 respondents in Egypt were successfully tracked to June 2021.

► **Table 3.** Reasons for non-response by wave of the survey

Response	Egypt (Feb. 2021)	Egypt Panel (June 2021)	Egypt Refresher (June 2021)
Phone disconnected/busy	9	5	6
Not in service	38	0	51
Did not answer	4	9	3
Picked up and refused	35	36	25
Incomplete, and refused	2	3	4
Incomplete, return call	0	0	0
Complete	11	48	11
Not Eligible	1	0	1
Total	100	100	100
Response rate	21	50	26

Note: Responses are for individuals who consented to follow-up in the previous wave. Not shown are 155 Egypt February 2021 respondents who did not consent to follow-up.

8. Appendix 3: Telephone coverage for households

This appendix uses data from the 2018 wave of the Egypt Labor Market Panel Survey (ELMPS) to assess the pattern of mobile phone ownership in Egypt along various individual characteristics (OAMDI, 2019; Krafft, Assaad, & Rahman, 2021) (OAMDI, 2019; Krafft, Assaad, & Rahman, 2021). The sample includes 15,746 households and 61,231 individuals; we focus on those 18-64 years of age. The variables used in the analysis are whether individuals own a mobile phone or not, gender, marital status, education level, labour market status, residence in an urban or rural area, age group, and quintile of household wealth. As shown in Table 4 we calculate the percentage of individuals who do not own mobile phones across these explanatory variables.

The percentage of women (27 per cent) not owning mobile phones is about 3 times that of men (8 per cent). A similar trend is observed in both rural and urban areas; however, the percentage not owning mobile phones is substantially higher for women in rural areas (38 per cent). Across marital statuses, men not owning mobile phones is quite uniform, whereas for women the proportion not owning mobile phones is comparatively higher for widowed followed by married women; it is lowest for divorced women. Men in the age range of 25 to 54 years have quite uniform and relatively high ownership of mobile phones. For women quite uniform and comparatively higher mobile phone ownership is found between 20 to 44 years, below and above this age range the percentage not owning mobile phones increases.

As the education level increases from less than basic to the university and above level, mobile phone ownership increases at a substantial rate – the range is quite large for women between 53 per cent not owning a mobile (less than basic) to 3 per cent not owning a mobile (university and above). This trend coincides with quintile of household wealth for both men and women i.e., as the household wealth quintile increases mobile phone ownership also increases with larger differences for women between poorest to richest quintiles compared to men.

Across labour market statuses, phone ownership is quite uniform and high for men except family enterprise agriculture workers, out of the labour force, and out of the manpower basis. For women, however, the trend is not uniform and in cases like employer and unemployed counterintuitive. For women working in public and formal private sectors phone ownership is slightly higher than for men; phone ownership decreases in other labour market status including employer women (50 per cent without mobiles); however, it is comparatively higher for unemployed women (15 per cent without mobiles). Out of manpower basis men (57 per cent without mobiles) and women (62 per cent without mobiles) have the lowest levels of phone ownership.

► **Table 4.** Percentage of individuals who do not own mobile phones by sex and other characteristics

	Male	Female	Total
Urban/Rural			
Urban	4.3	12.2	8.4
Rural	11.3	38.4	25.1
Marital status			
Single	12.2	20.1	14.9
Married	6.6	28.6	18.3
Divorced	10.9	18.5	16.5

	Male	Female	Total
Widowed	11.0	32.1	30.2
Age Group			
15-19	16.4	26.7	21.6
20-24	11.9	18.7	15.2
25-29	5.3	20.3	13.1
30-34	6.3	23.4	15.5
35-39	5.8	24.1	15.2
40-44	6.4	28.2	17.1
45-49	6.8	34.1	19.5
50-54	6.8	35.0	21.5
55-59	10.7	40.3	26.4
60-64	15.8	45.6	31.5
Quintiles of household wealth			
Poorest	17.4	53.5	35.6
Second	11.9	40.7	26.2
Third	7.8	29.1	18.4
Fourth	3.5	13.7	8.8
Richest	1.8	4.3	3.1
Educational Attainment			
Less than basic	18.0	52.6	38.9
Basic	11.1	27.4	18.9
Secondary & postsecondary	5.1	14.7	9.6
University & above	2.0	2.7	2.3

	Male	Female	Total
Labour Market Status			
Public sector worker	3.0	2.4	2.8
Formal private wage worker	2.7	0.5	2.4
Informal private wage worker	7.9	21.7	9.1
Employer	6.7	50.3	9.7
Family enterprise worker: non-agriculture	4.0	35.8	13.3
Family enterprise worker: agriculture	15.3	56.7	35.2
Unemployed	7.1	15.3	12.7
Out of the labour force	15.3	30.1	27.5
Out of manpower basis	57.3	62.3	59.2
Total	8.4	27.4	18.1

Source: 2018 wave of the Egypt Labour Market Panel Survey (ELMPS)

Note: Universe is made up of the population 18-64 years of age. Family enterprise worker: either self-employed or unpaid family worker; Unemployed: person is not working, is desiring to work and available for work (does not require active search); Out of the labour force: someone of working age and who is not employed and not unemployed based on the definition above; Out of the manpower basis: permanently disabled.

9. Appendix 4: Sampling and weights: firms survey

The sample universe for the firm survey was firms that had 6-199 workers pre-COVID-19. Stratified random samples were used to ensure adequate sample size in key strata. A target of 500 firms per country was set. The sampling strategy was incorporated into the weights.

Up to three attempts were made to ensure response if a phone number was not picked up/answered, was disconnected or busy, or picked up but could not complete the interview at that time. After the third failed attempt, a firm was treated as a non-response and a random firm from the same stratum was used as an alternate.

▶ 9.1 Sampling frames

Yellow Pages (<https://www.yellowpages.com.eg/en>)

- ▶ Data on broad categories (e.g., gas stations)
- ▶ Coded into four strata: (1) services, (2) food & accommodation, (3) trade, manufacturing, and agriculture, (4) construction¹⁵
- ▶ Restricted to firms with 6-199 workers in February 2020 based on an eligibility question during the phone interview

▶ 9.2 Initial weights

Inverse probability weighting was undertaken to account for the sampling strategy and non-response. Weights had the following inputs for each country:

- ▶ Total number, T_s , of firms in the stratum, s , in the sampling frame (T_s)
- ▶ Number, N_s , of firms in the stratum, s , successfully completed in the sample (N_s)
- ▶ Share of firms successfully contacted in the stratum that were eligible (e_s)

The baseline wave weight for a firm, f , in stratum s is calculated as:

$$w_{f,s,p} = (T_s * e_s) / N_s$$

We adjust the total number of firms in the sampling frame to account for the fact that not all firms were eligible by multiplying the sample frame number of firms in the strata, T_s , by the fraction eligible among contacted firms, e_s . Weights are then normalized to have a mean of one.

The resulting weight is the same for all firms that are in the same stratum.

¹⁵ A random firm number, e.g., the 750th firm, within a broad category and strata was selected (based on the desired sample per strata) (without replacement).

▶ 9.3 Panel weights

All firms who consented to follow up in the prior wave were contacted in an attempt to include them in the subsequent wave. A total of 29.8 per cent (149 of 500) of Q1 2021 firms in Egypt were successfully followed to Q2 2021.

We compute a response adjustment factor, r , to weight firms retained in the panel from one wave to the next, based on the predicted probability of attrition, $\text{Pr}(A)$, from a probit model with attrition as the binary outcome, as follows:

$$r = \frac{1}{1 - \text{Pr}(A)}$$

This response adjustment factor multiplies the preceding wave weights for firms that were retained, in order that they can represent the preceding (and ultimately base) wave universe.

The panel attrition models use a few base wave variables in addition to the strata used for initial weighting. Specific additional variables are:

- ▶ Operating status in base wave (open normal, open reduced hours, closed)
- ▶ Revenue change (categorically) since February 2020
- ▶ Industry as reported in the survey data (five categories)
- ▶ Size as reported in the survey data at the time of the wave (four categories)

▶ 9.4 Refresher and combined weights

The refresher weights are created in an identical fashion to the base wave, initial weights, but for the refresher samples within the subsequent waves of the panel. For subsequent waves (waves after the base wave), cross-sectional weights combine the panel and refresher data. Weights are normalized to one within each of the panel and refresher samples and then combined into a single, representative cross-sectional weight.

10. Appendix 5: Attrition and non-response: firms survey

Table 5 includes responses and response rates. For the panel, response rates are among those who consented to follow-up. Phones that were not in service, disconnected/busy (after multiple calls) and firms who were not eligible are excluded from the response rate calculations. The responses are based on the final result, which may have been on the first, second, or third attempt.

► **Table 5.** Responses and response rates for firms, by wave

Response	Egypt Wave 1	Egypt Wave 2 - Refresher	Egypt Wave 2 - Panel
Phone disconnected/busy	5	26	12
Not in service	45	13	0
Did not answer	7	19	11
Picked up and refused	25	26	36
Incomplete, and refused	2	3	8
Incomplete, return call	0	0	0
Complete	5	6	32
Not Eligible	10	7	0
Total	100	100	100
Response rate	14	11	37

Source: Authors' calculations based on Egypt COVID-19 MENA Monitor Q1 2021 and Q2 2021 waves.

Note: Responses are for firms who consented to follow-up in the previous wave. Not shown are: 60 Q1 2021 firms who did not consent to follow-up.



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