

ERF Policy Brief

Employment and Care Work during the COVID-19 Pandemic: Persistent Inequality in the Middle East and North Africa

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In a nutshell

- Although employment rates dropped during the initial lockdown phase of the COVID-19 pandemic in the second quarter of 2020, they had generally recovered by mid-2021 in Egypt, Jordan, Morocco, Sudan, and Tunisia.
- Wage inequality initially rose during the pandemic, but shifted back towards pre-pandemic levels, to varying degrees, by mid-2021.
- Hours of work tended to decline overall from late 2020 through mid-2021. However, this shift is likely due to informal and self-employed workers, who had lost employment initially and tend to work fewer hours, later returning to work. Within different types of work, hours recovered or were more stable.
- Employment during the pandemic recovery depended on labour market status and sector pre-pandemic; public sector, followed by private formal sector workers were the most likely to stay employed, while non-wage and informal private sector wage workers were more likely to exit employment.
- The closure of schools and nurseries increased care work for married women in households with young or school-aged children.
- While women had lower employment rates and were more likely to exit work during the pandemic, these patterns appear to be continuations of existing trends from prior to the pandemic. Women and men experienced similar recoveries in employment rates.
- Although married women with children had lower employment rates during the pandemic, this too was a continuation of pre-pandemic trends. After accounting for pre-pandemic labour market status, women with children were not more likely to exit work during the pandemic or during school closures. Married women with children had already largely selected out of types of work that were difficult to reconcile with care responsibilities.

- *Assessing the ongoing recovery from the COVID-19 pandemic and its labour market repercussions requires detailed data not only on employment rates, but also hours of work and earnings.*
- *The pandemic has underscored gender inequality in care work, but also offers an opportunity to rethink care responsibilities and ultimately recognize, reduce, and redistribute care work.*

This policy brief presents a gendered analysis of how employment and care work have evolved during the COVID-19 pandemic, focusing on five countries: Egypt, Jordan, Morocco, Sudan, and Tunisia. The policy brief draws on two papers, one exploring whether and how MENA labour markets have recovered during the COVID-19 pandemic (Krafft et al. 2022), and the other examining the impact of school closures on care work and subsequently employment for women (Krafft, Selwaness, and Sieverding 2022). The underlying research is based on data through mid-2021 from the COVID-19 MENA Monitor (CMM) (OAMDI 2021).¹

Employment rates fell at the onset of the pandemic, but have largely recovered

Employment rates initially fell in quarter two of 2020, with the onset of the pandemic (Figure 1, calculated based on official statistics²). For instance, in Egypt, the overall employment rate fell from 39 per cent in quarter one of 2020 to 35 per cent in quarter two of 2020. However, employment recovery in most cases was fairly swift, for instance rising back to 38 per cent in Egypt by quarter three of 2020. Women's employment rates, which were already low pre-pandemic, generally followed a similar pattern to men's and the overall downturn and recovery.

Women with children faced increased care responsibilities, particularly when schools closed

The MENA region had the world's largest gender disparity in unpaid care work pre-pandemic (International Labour Organization 2018), raising concerns that school closures and closures of child care would disproportionately impact women's wellbeing and employment. Figure 2 shows school operating status during the dates of COVID-19 MENA Monitor data collection, based on the UNESCO global monitoring of school closures database

¹ Data are publicly available through ERF's Open Access Microdata Initiative at www.erfdataportal.com

² Quarterly labor force data are not available for Sudan.

(UNESCO 2021) and news reports. While schools were sometimes open in person, they were also often only open with partial capacity (for example, only operating some days of the week), online only, or totally closed.

Married women in households with young and school-aged children reported increased direct care work (time spent taking care of children) during the pandemic as compared to pre-pandemic (February 2020), as shown in Figure 3. Among women living in households with children, across countries, while 23-35 per cent of women who were unmarried reported more care work, 39-48 per cent of married women reported more care work.

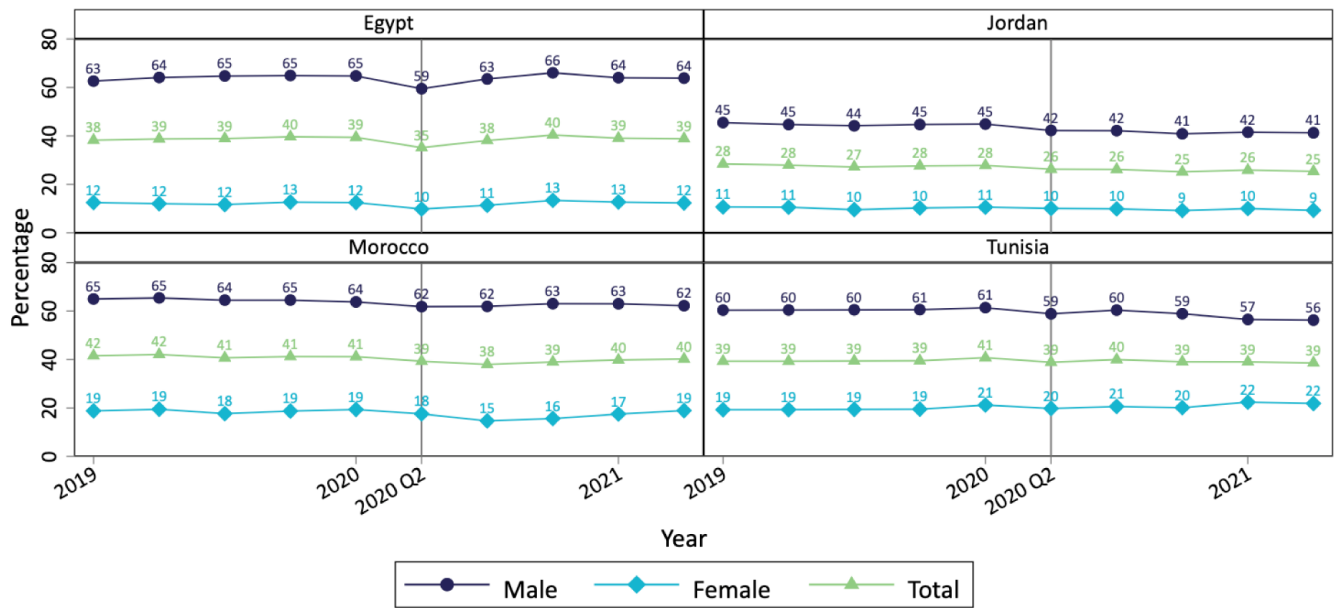
In multivariate models examining the impact of school closures (as shown in Figure 2) on whether women reported more care work (the outcome shown in Figure 3) among those women with school-age children, total closures of schools increased reports of more care work (Krafft, Selwaness, and Sieverding 2022). Interestingly, unlike in higher-income countries (Collins et al. 2021), online schooling actually led to reports of less care work in MENA (Krafft, Selwaness, and Sieverding 2022). This result may be because online schooling provided some child care and education, but with a lighter workload for parents (e.g., no homework). Youth in Jordan, for example, reported a lighter workload with online schooling (Assaad et al. 2021).

Married women with children had already selected out of types of work that were difficult to reconcile with care responsibilities

During the pandemic, married women with children had lower employment rates than unmarried women or married women without school-age or younger children in most countries (Krafft, Selwaness, and Sieverding 2022). However, this pattern appears to be a continuation of pre-pandemic trends, as women tend to exit employment at marriage in MENA (Krafft and Assaad 2020; Selwaness and Krafft 2021; Assaad, Krafft, and Selwaness 2022). Likewise, although women in MENA had high rates of exit from employment during the pandemic, this appears to be a continuation of pre-pandemic trends of high rates of exit by women (Krafft, Selwaness, and Sieverding 2022). Multivariate models demonstrated that, after accounting for pre-pandemic labour market status, women with children did not differentially exit employment (Krafft, Selwaness, and Sieverding 2022). Nor did school closures directly affect women's employment exits (Krafft, Selwaness, and Sieverding 2022).



Figure 1. Employment rates (percentage), by country, sex, and quarter, 2019-2021



Source: Krafft, Selwaness, and Sieverding (2022) based on country's official quarterly labour force survey bulletins.
 Notes: Since employment rates are not consistently reported, we calculate the employment rate (e) based on the labor force participation rate (l) and unemployment rate (u) by using the following formula: $e=l(1-u)$. Tunisia labour force participation rates for 2019 are annual rather than quarterly.

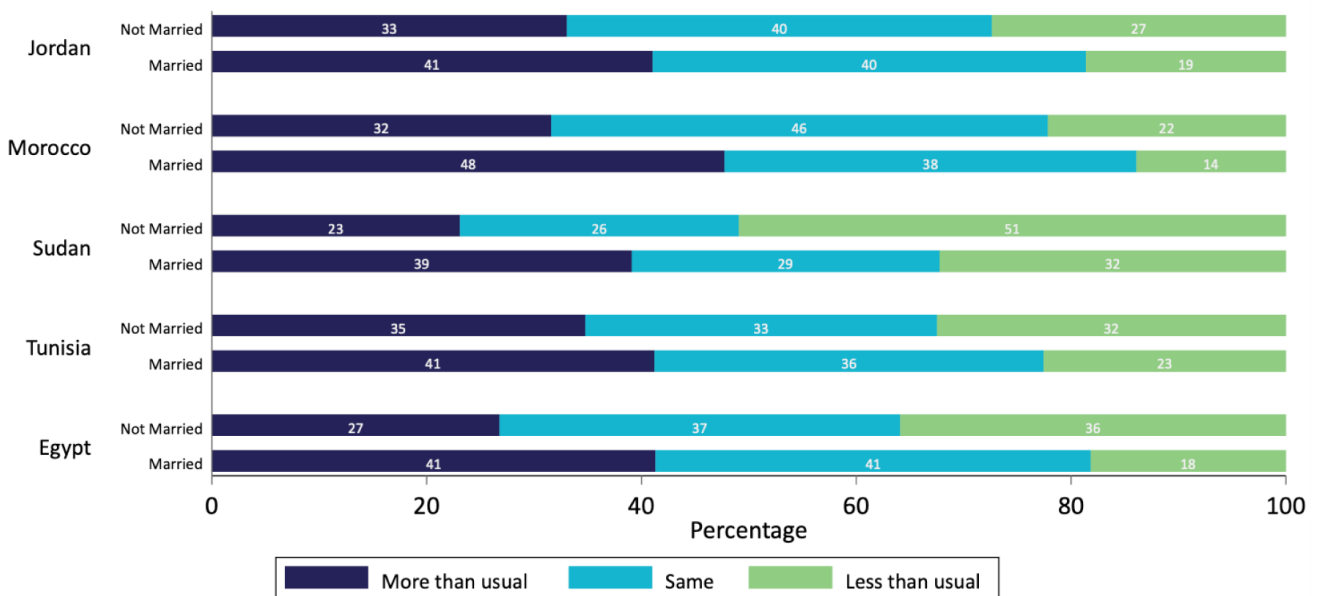
Figure 2. Operating status of schools by country and date



Source: Krafft, Selwaness, and Sieverding (2022) based on school closures data
 Notes: Showing weeks with survey observations in the COVID-19 MENA Monitor data, all waves.



Figure 3. Direct care work in the past week versus February 2020 (percentage), by country and marital status, women in households with children aged 18 or younger



Source: Krafft, Selwaness, and Sieverding (2022) based on the COVID-19 MENA Monitor, all waves.

Part of the reason that married women with children did not experience a differential impact of the pandemic may be that they had already selected out of forms of employment (particularly private sector wage work) that were difficult to reconcile with caregiving. In Egypt, Jordan, and Tunisia, married women with children who worked were disproportionately in the public sector, where employment protections and working conditions made care and employment easier to reconcile (Krafft, Selwaness, and Sieverding 2022). In Morocco and Sudan, married women with children who worked tended to be in non-wage (often agricultural) work pre-pandemic (Krafft, Selwaness, and Sieverding 2022).

Wage inequality initially rose during the pandemic, with some recovery

One concerning potential impact of the pandemic and its associated economic impacts, particularly in low- and middle-income countries, is increasing poverty and inequality (World Bank 2020); (Acevedo et al. 2022). Previous research has established substantial declines in income comparing pandemic-era to pre-pandemic income in MENA, declines that particularly affected the poor and exacerbated inequality (Krafft, Assaad, and Marouani 2021a; b, 2022). Figure 4 explores the 75th/25th percentile ratio (p75/p25) to show how monthly wage inequality has evolved since before the pandemic (in February 2020) through the waves of the COVID-19 MENA monitor. Inequality initially rose but then, in

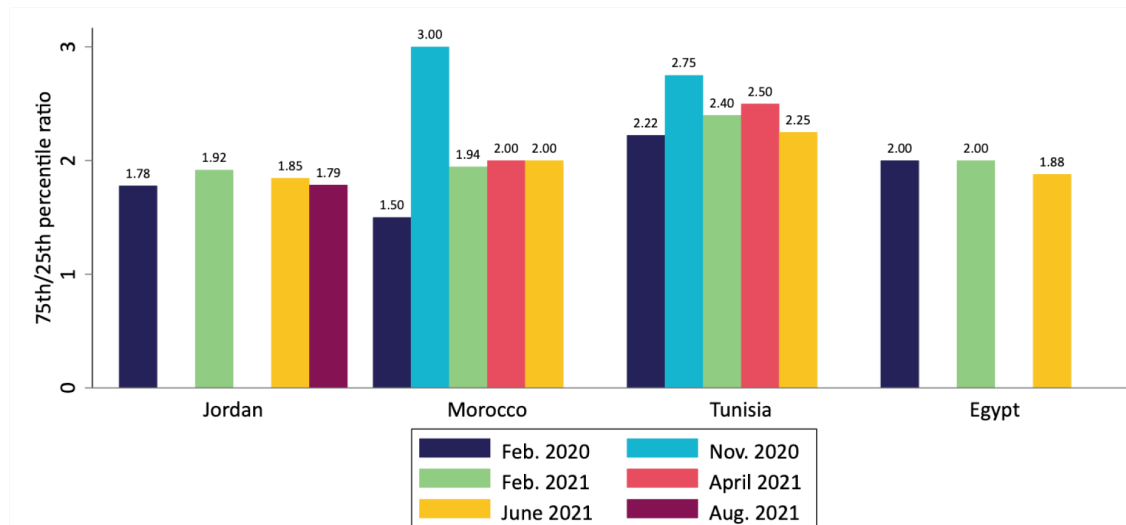
most cases, recovered to at or near pre-pandemic levels. For instance, in Tunisia, the p75/p25 ratio was 2.22 pre-pandemic, rose to 2.75 by November 2020 (the first wave of COVID-19 MENA monitor data), and then fell to 2.40 in February 2021, 2.50 in April 2021, and back to nearly pre-pandemic levels, 2.25, in June 2021. Although initial increases in inequality may have dissipated, their long-term impacts and impacts on poverty remain an important question for future research.

Labour market adjustments occurred in hours and wages

Research examining labour market status, hours of work, and hourly wages highlights how a number of important dimensions of pandemic-era labour market adjustment have evolved over time (Krafft et al. 2022). Those who were public sector and private sector formal wage workers pre-pandemic were less likely to exit employment in most countries (Krafft et al. 2022). While some of this pattern may be a continuation of pre-pandemic patterns of employment transitions by type of work (Assaad, AlSharawy, and Salemi 2022), workers who were informal private sector wage workers were particularly likely to report temporary or permanent layoffs (Krafft, Assaad, and Marouani 2021a). Self-employed workers and small firms also tended to report income losses and reduced hours of operation (Krafft, Assaad, and Marouani 2021a; c). As these workers returned to employment, average hours of work fell, but this seems to be due to the changing mix of workers rather than reductions in hours among workers who were employed (Krafft et al. 2022).



Figure 4. 75th/25th percentile ratio of monthly wages, by country and wave



Source: Krafft et al. (2022) based on COVID-19 MENA monitor. Given small sample size of wage earners in Sudan, Sudan is not shown.

Looking within specific groups of workers, such as those who were non-wage workers pre-pandemic, hours were stable or tended to rise in most countries over time (Krafft et al. 2022). Hourly wages were relatively stable in Egypt and Jordan, but in countries such as Morocco, followed the same pattern as hours, declining as marginally attached workers returned to employment and increasing when there were decreases in employment (Krafft et al. 2022).

Policy implications

Variation in policy responses and pre-pandemic economic structures shaped the nature of labour market adjustments during the pandemic, with some important lessons for ongoing recovery efforts and future crises. Both Egypt and Jordan experienced relatively more labour market stability (Krafft et al. 2022). In Egypt's case, the economic impact of the pandemic was limited due to somewhat less stringent lockdown policies. Egypt even had a positive economic growth rate in 2020, 1.5 per cent (Ministry of Planning and Economic Development 2021).³ Jordan had a relatively more stable labour market trajectory as well, despite a worse economic situation than Egypt, due to a variety of factors including a relatively less tourism-dependent economy, policies to prevent layoffs, and a relatively more formal labour market pre-pandemic (Krafft et al. 2022).

³ Egypt reports official statistics for a fiscal year spanning July through June; we have adjusted statistics to present calendar years here, for comparability to other countries.

Morocco and Tunisia had more severe economic contractions and labour market volatility during the recovery, which may be related to variable but often stringent lockdowns (Krafft et al. 2022). Both Morocco and Sudan, with a high share of employment in agriculture, were dealing with agricultural cyclicity at the same time as COVID-19 adjustments, increasing volatility (Krafft et al. 2022). Sudan was also dealing with a number of economic policy and political challenges, such as exchange rate devaluation, protests, and political instability (Advancing the Decent Work Agenda II Report (Forthcoming). 2022).

The pandemic has underscored how pre-existing structural challenges, such as gaps in the social safety net, can leave those most vulnerable to shocks, such as informal workers, with limited recourse (Krafft, Assaad, and Marouani 2021a; Krafft et al. 2022). Social safety nets that are crisis-responsive and include informal workers and the working poor are critical to ameliorating future shocks.

Research on the impact of the pandemic on MENA labour markets has also underscored the importance of collecting, reporting, and making publicly available labour market metrics beyond employment and unemployment. Employment and unemployment rates generally quickly recovered, but incomes remained depressed and ongoing adjustments in hours and wages occurred (Krafft et al. 2022; Krafft, Assaad, and Marouani 2022). Other work has underscored that unemployment rates did not provide adequate indicators of labour market health even pre-pandemic, as vulnerable workers are particularly likely to

be under-employed rather than unemployed (Krafft and Assaad 2014; Assaad 2019).

Labour market microdata are particularly important for understanding what groups may have been differentially impacted by the pandemic. Women with children, for example, had low employment rates and women often exited employment during the pandemic. However, these patterns appear to be primarily continuations of pre-existing trends rather than impacts of COVID-19. While women's care work increased due to school and child care closures, married women with children had already largely selected out of the types of work (especially private sector work) that were difficult to reconcile with care responsibilities.

These findings underscore the persistent gender inequality that exists in unpaid care work in MENA and the necessity of redressing gender norms underlying this inequality to allow women equal employment opportunities. For instance, in Egypt, 98 per cent of men agree that “Changing diapers, giving baths to children, and feeding children should **all** be the mother's responsibility” [emphasis added] (El-Feki, Heilman, and Barker 2017). Care work must be recognized, reduced, and especially redistributed in the MENA region (Economic Research Forum and UN Women 2020).

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