

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

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Egypt COVID-19 Country Case Study

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EGYPT: COVID-19 and Labour Market Context



- Egypt's experience with the COVID-19 pandemic was less severe than that of its North African peers
 - Even accounting for under-reporting of cases and deaths, Egypt did not experience the large surges in cases that other countries in the region faced in the fall of 2020 and summer of 2021
- Egypt adopted less stringent and probably less strictly enforced lockdown measures
- Economy less affected.
 - Positive growth rate of 1.5% p.a. in 2020 compared to severe contractions in Morocco and Tunisia.
 - Egypt's economy was growing at around 5.5% p.a. in 2019, substantially faster than either Morocco or Tunisia, but employment rates (and labor force participation rates) had been falling since 2010
 - Unemployment rates were declining steadily from 2016 to 2019 due to slow growth of youth and young adult populations
 - Growth was primarily in low-productivity sectors, such as construction, trade and transport, favoring informal and precarious forms of employment

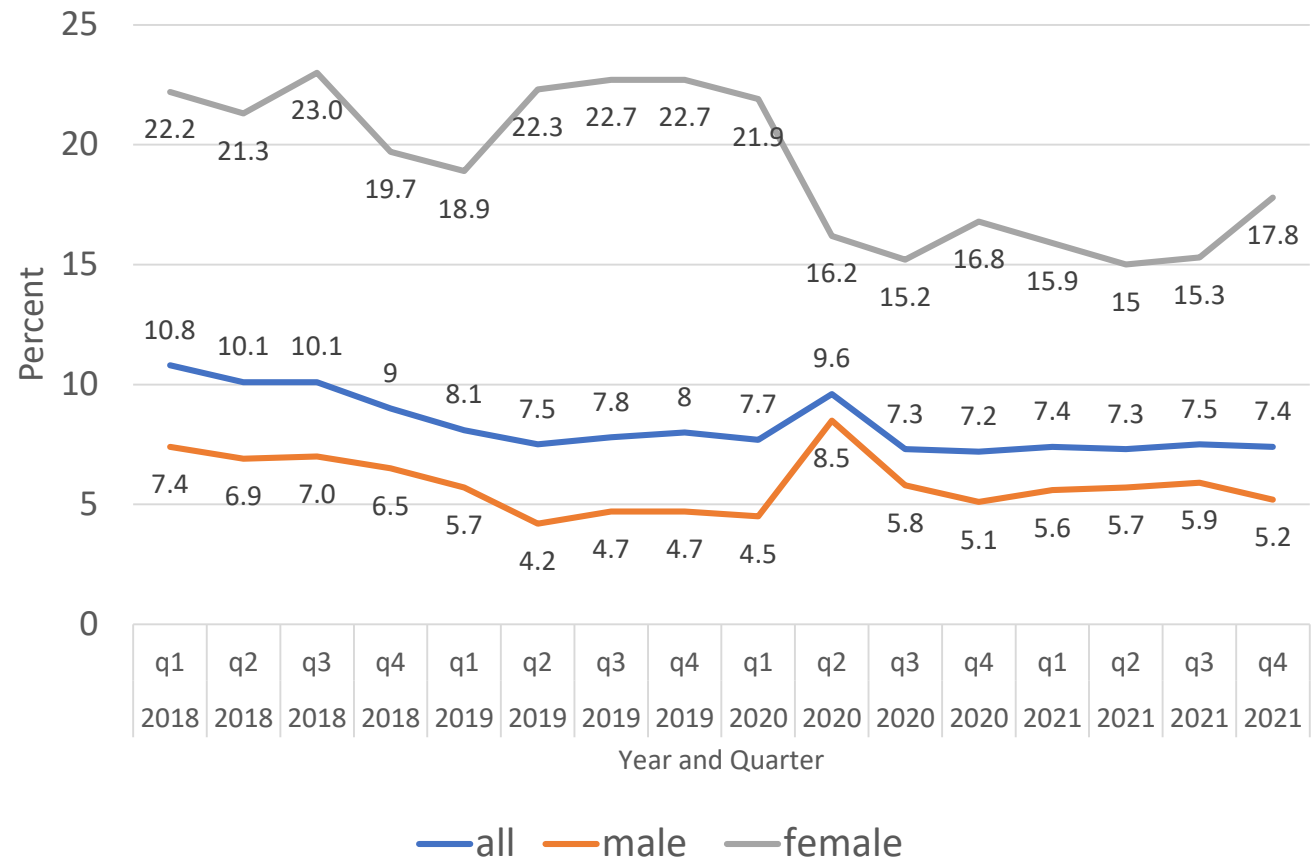


Quarterly data since 2018 show stability in the unemployment rate since the spike due to COVID-19 pandemic in Q2 2020

Female rates fell as a result of pandemic! A sign of discouragement

But female rates have risen recently as discouraged female job seekers come back to the labor market

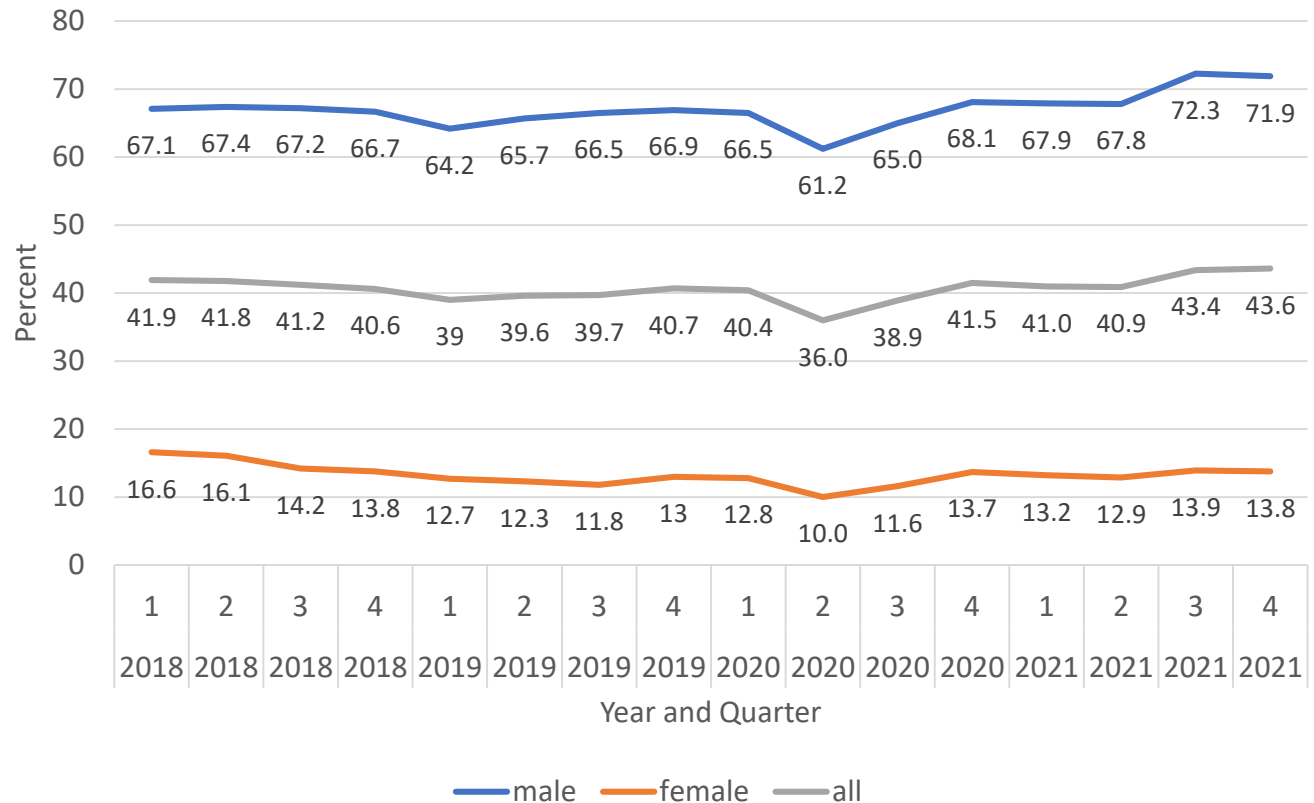
Quarterly Unemployment Rates by Sex, 2018-2021





EGYPT: Quarterly Employment Rates, Ages 15-64, 2018-2020

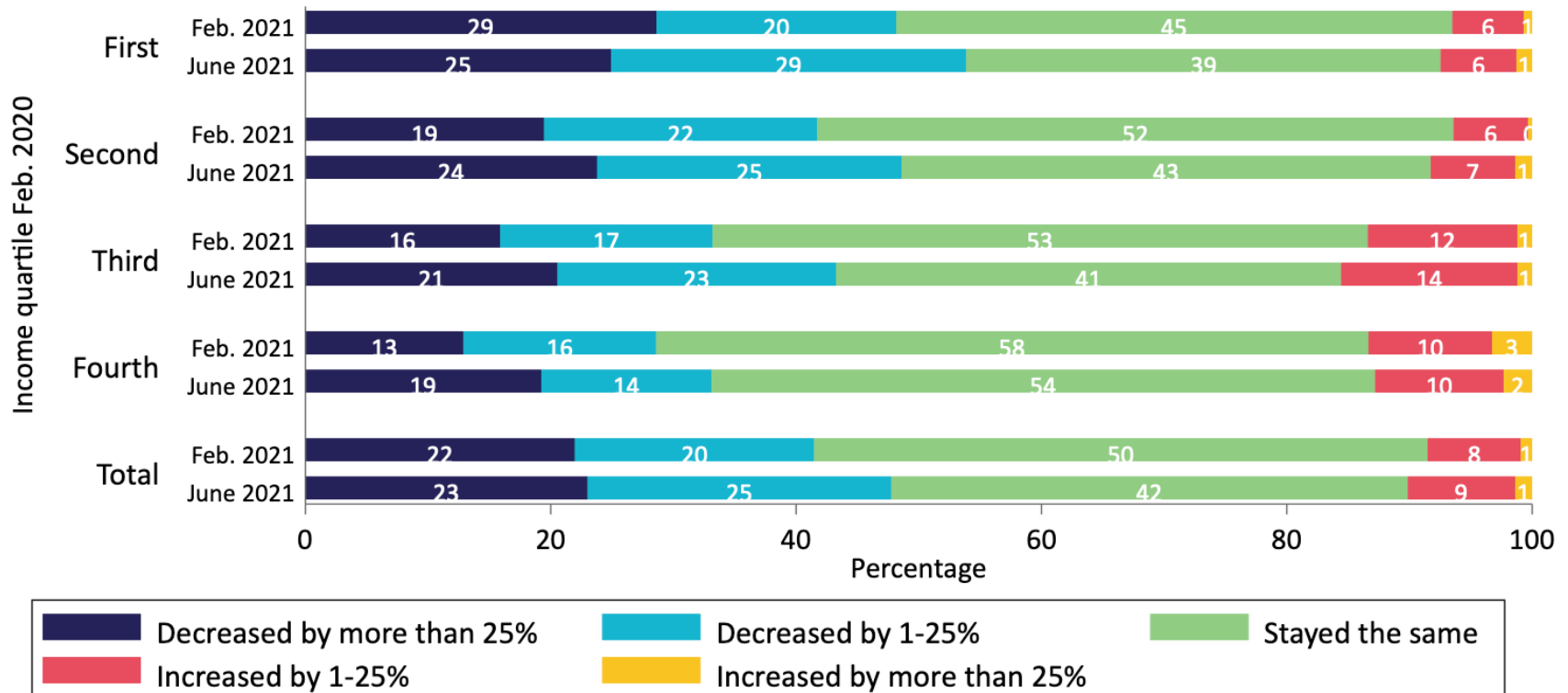
Quarterly employment rates show some significant recovery post-COVID-19, but less so for women



By June 2021, households continued to report substantial decreases in income, particularly households that were poor pre-pandemic. The share of households reporting severe drops in income actually increased from February to June for all but the poorest.



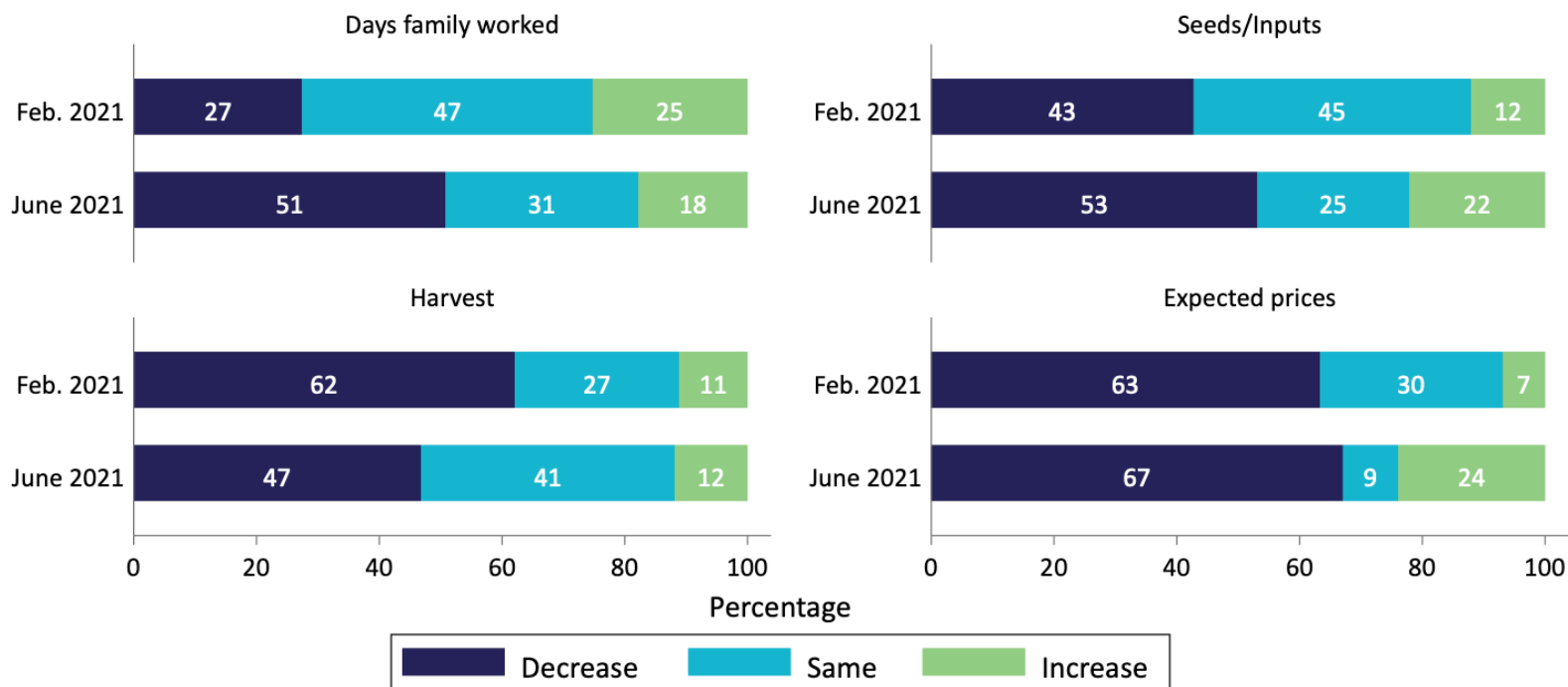
Changes in household income from February 2020 to wave (percentage of households), by income quartile in February 2020 and wave



Farmers have struggled, but expectations for harvest have improved



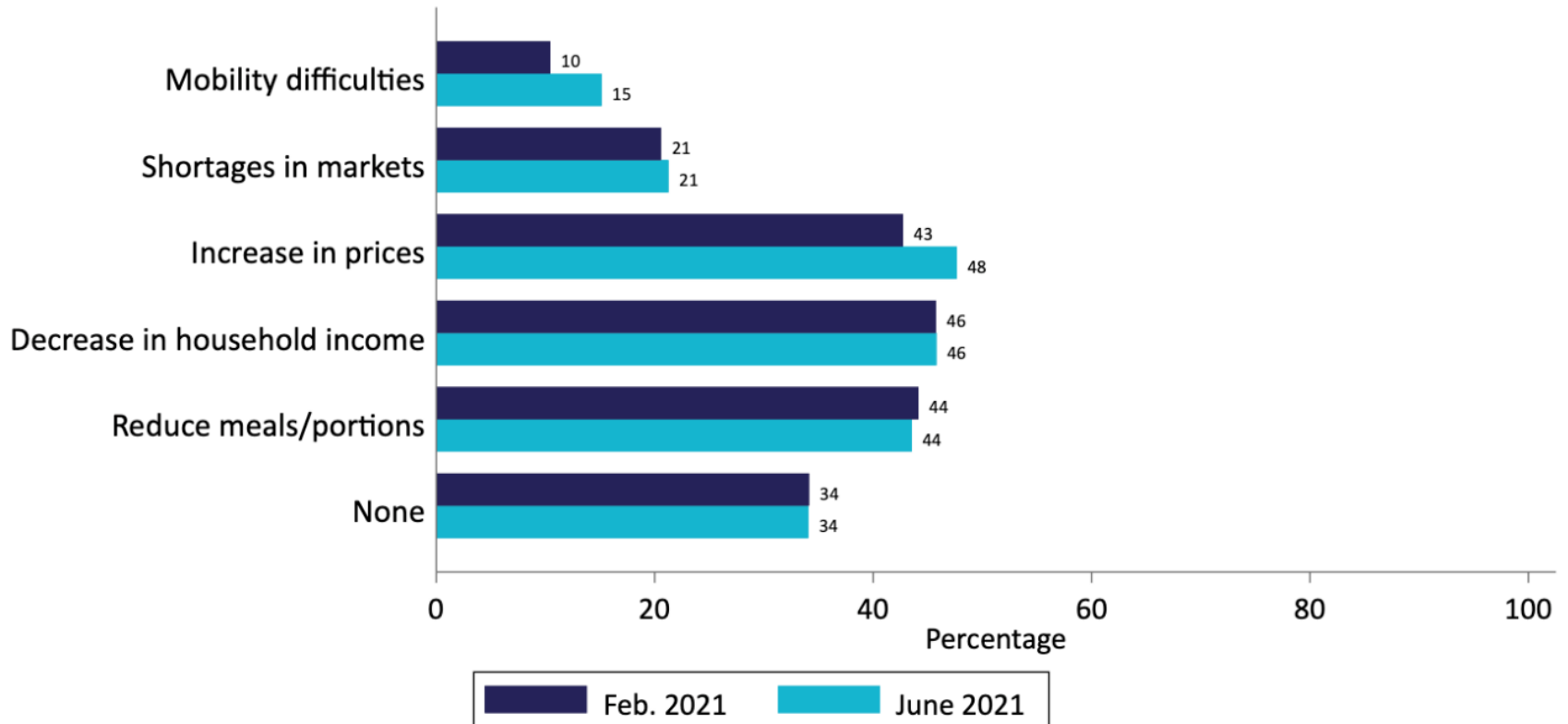
Farmers' experiences compared to the 2019 season (percentages), by wave



Food insecurity has remained fairly stable over time, but the is growing perception of food price increases and mobility difficulties



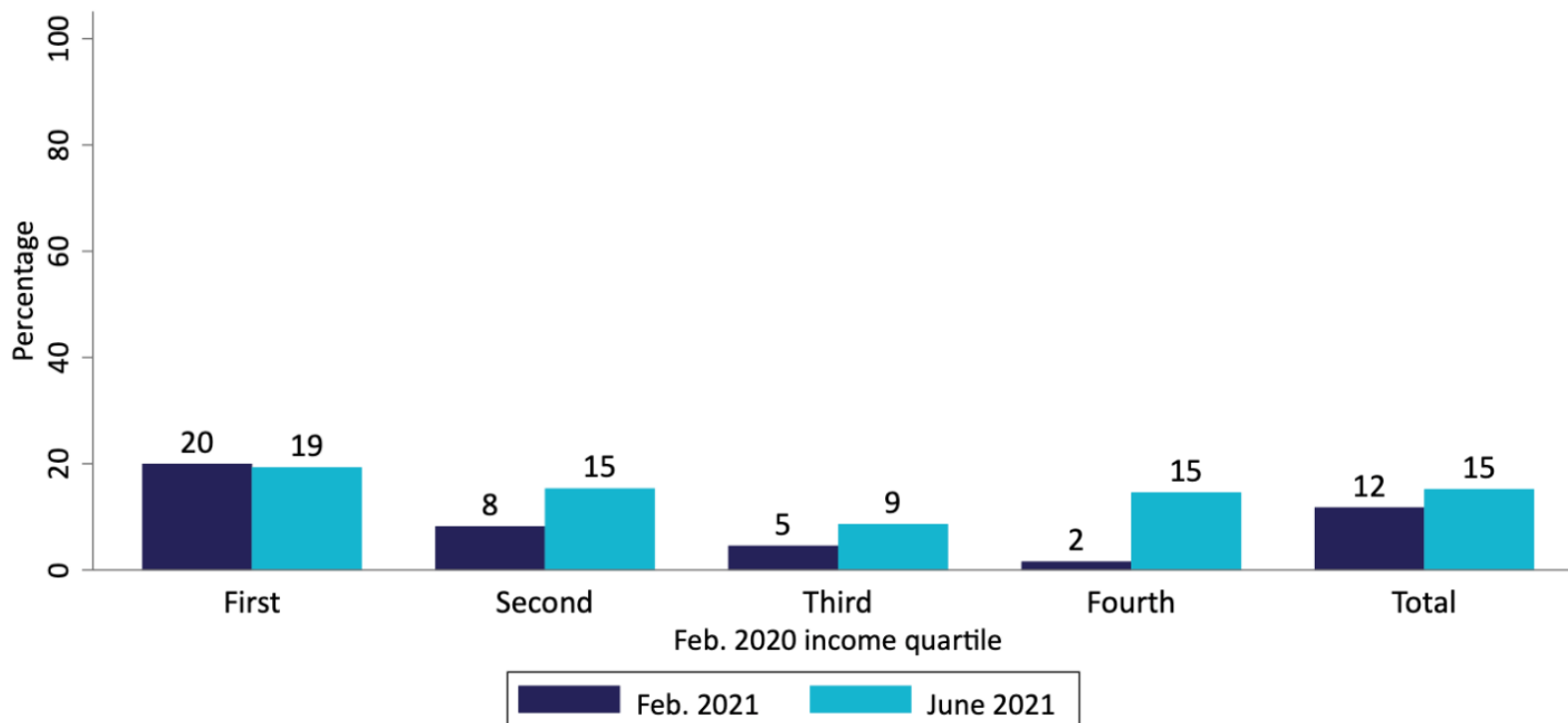
Household food insecurity (percentage of households), by wave



Receipt of social assistance has increased slightly over time, but has become less well-targeted



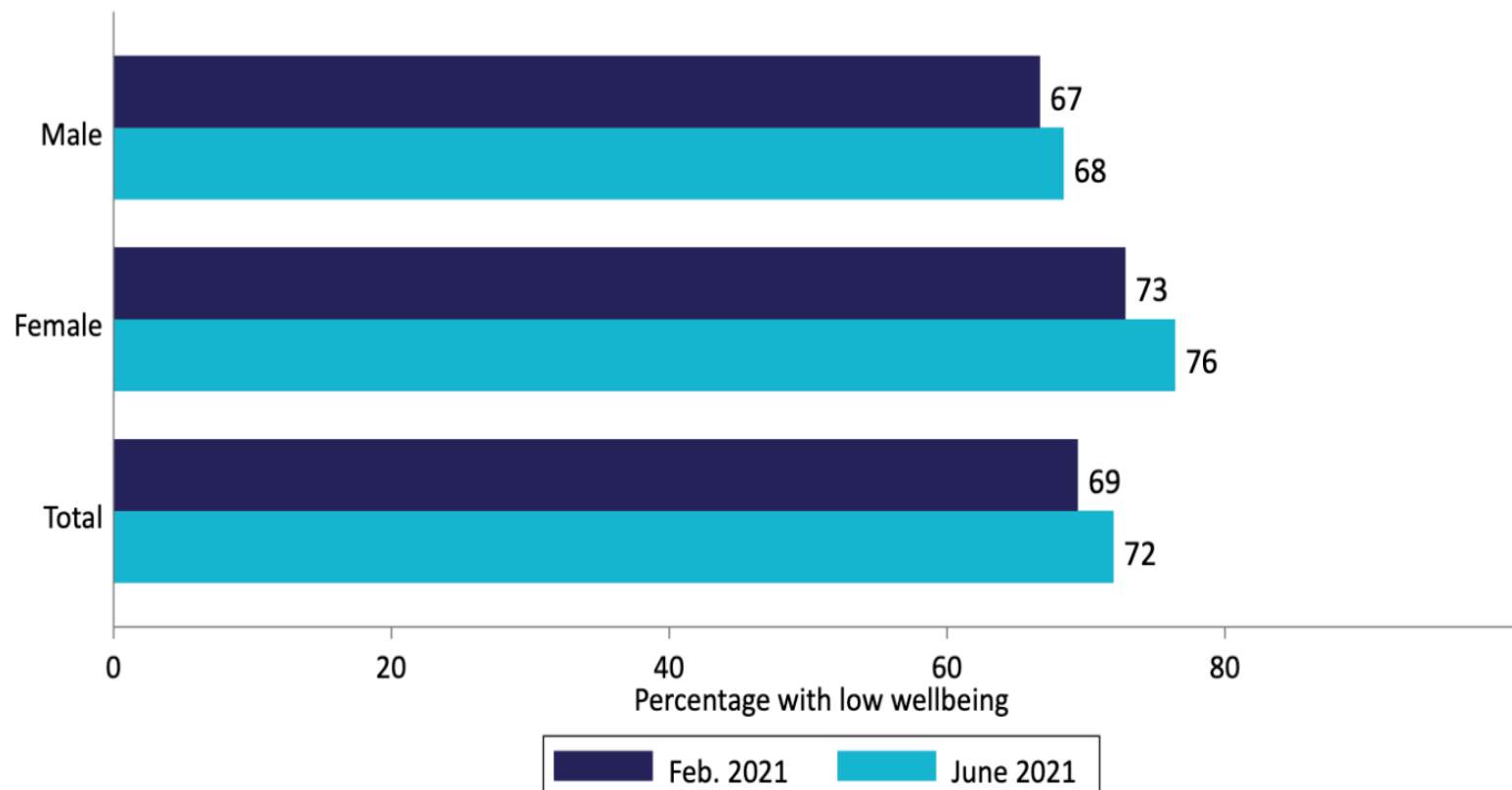
Receiving government assistance (percentage of households), by February 2020 income quartile and wave (not including food ration cards)



Rates of low wellbeing are very high and have increased from February to June 2021, especially among women



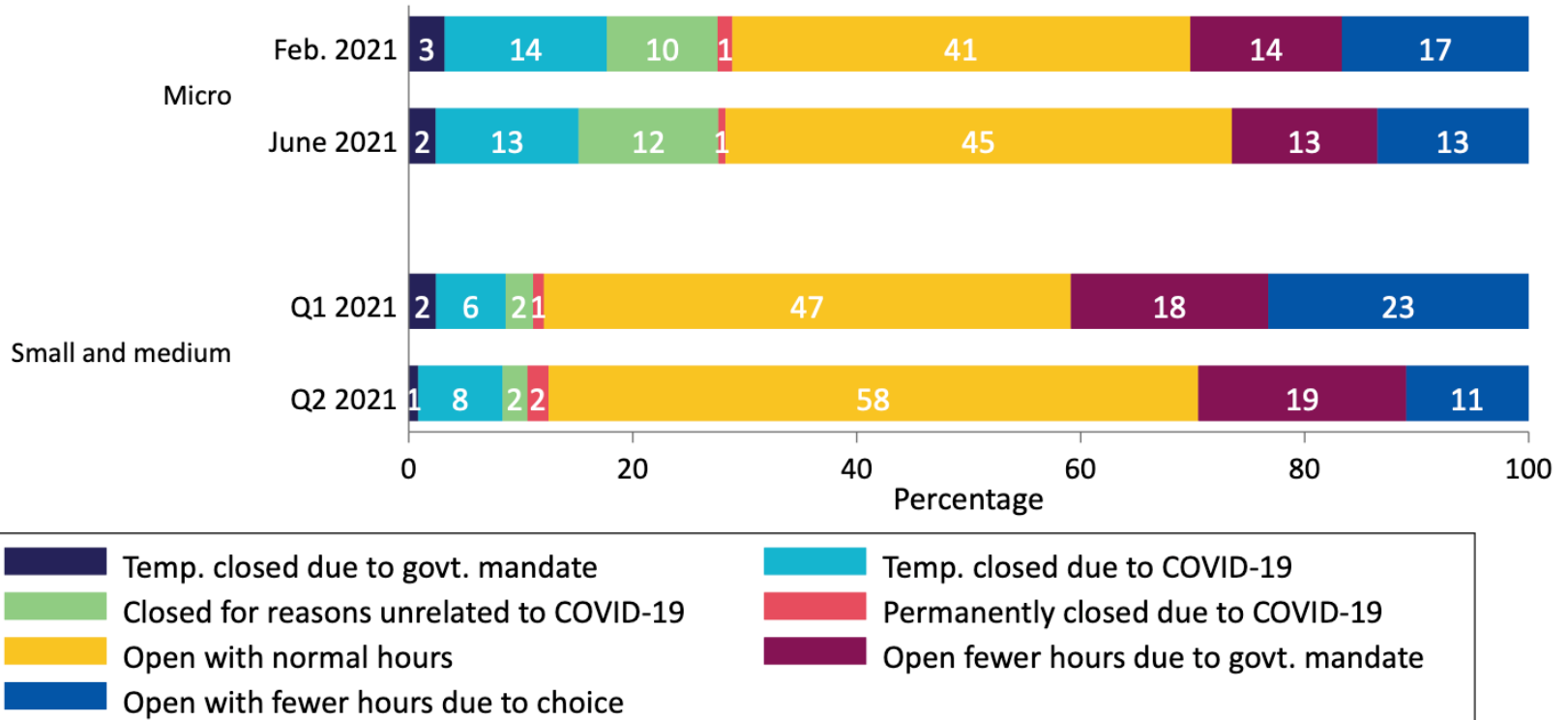
Rates of Low Wellbeing among individuals (percentage), by sex and wave (WHO-5 scale)



Enterprises are increasingly open with normal hours, but a substantial share were still open fewer hours due to government mandate by June 2021.



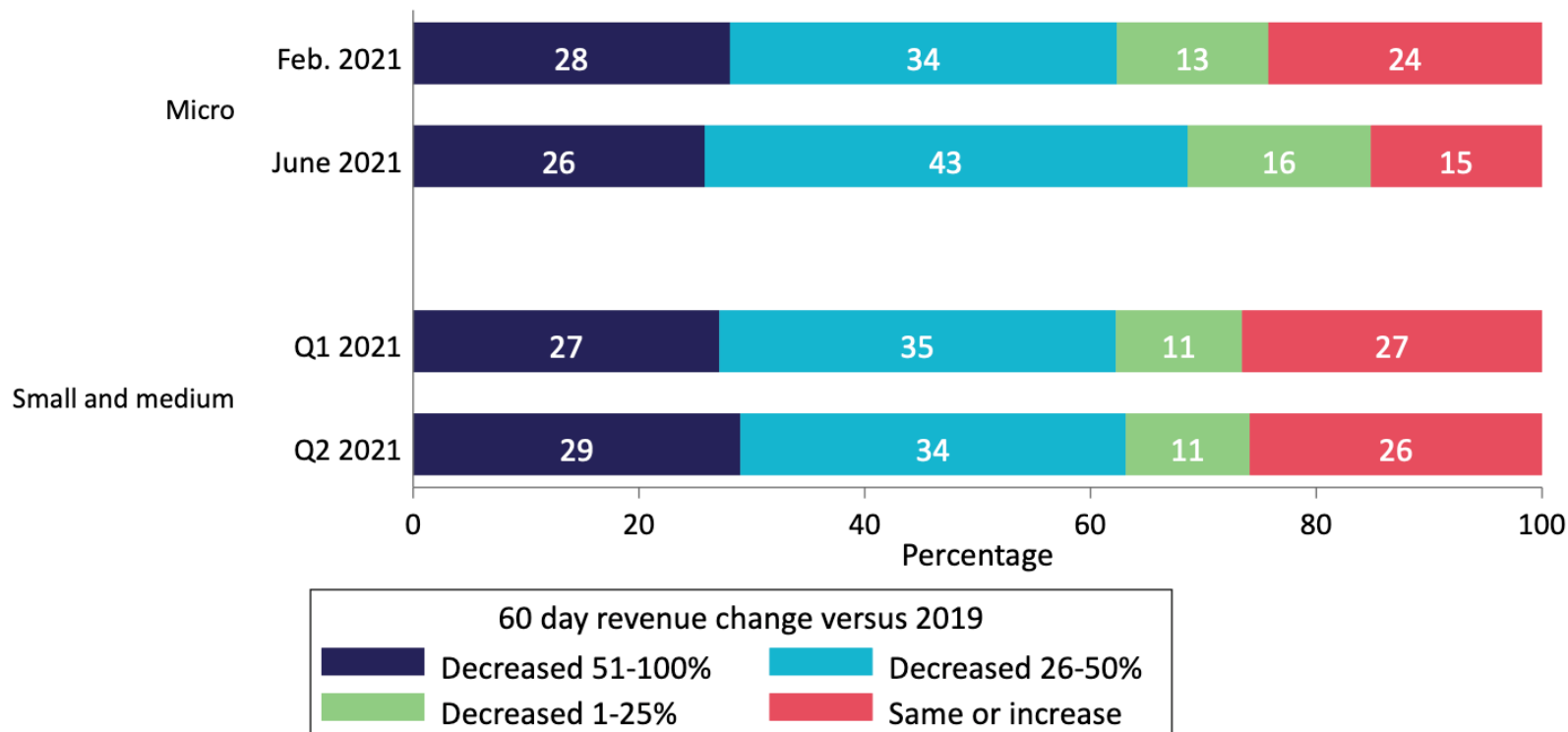
Operational status of enterprises (percentage), by size and wave



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



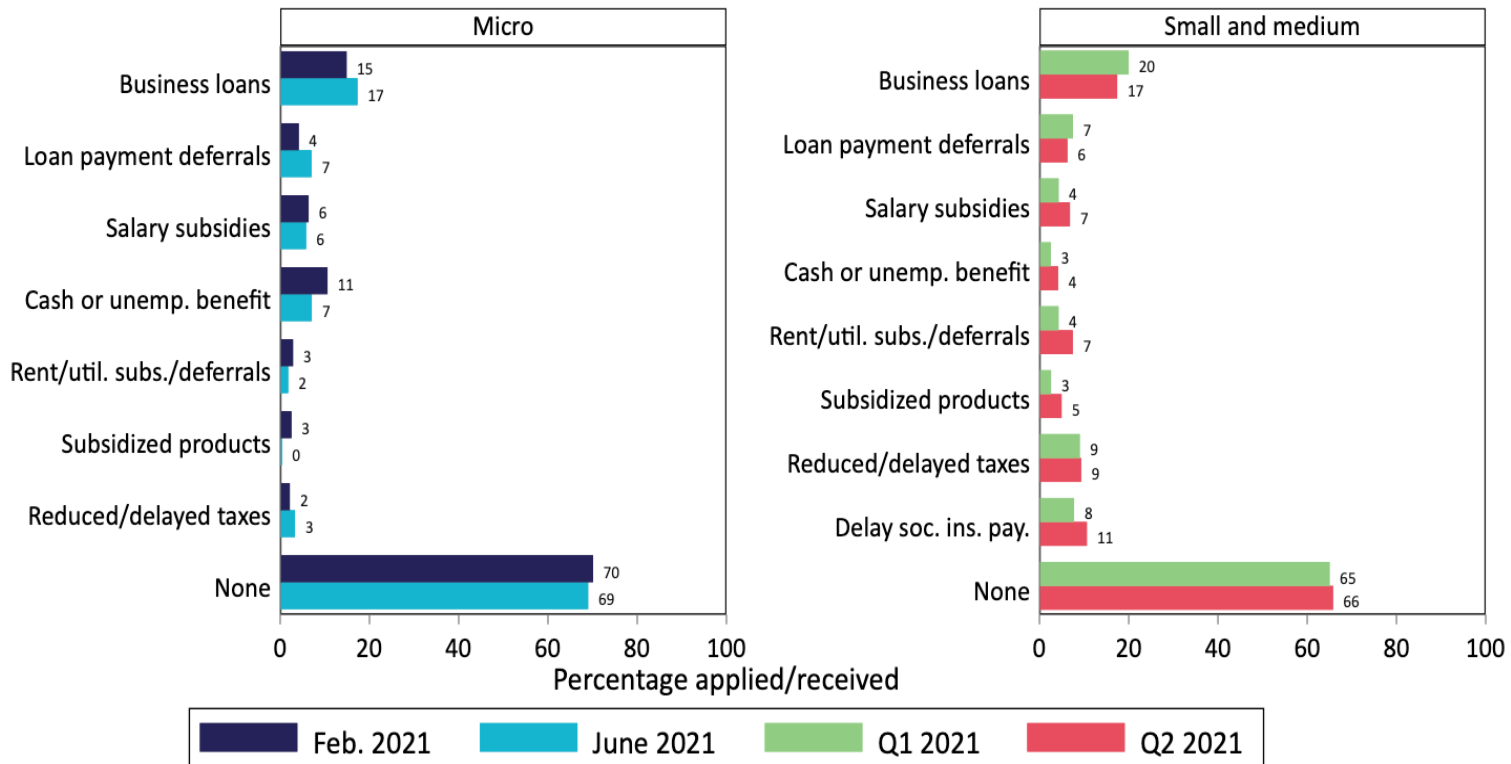
Revenue changes of enterprises, past 60 days compared to same season in 2019 (percentage), by size and wave



More than two-thirds of micro, small and medium enterprises did not apply for nor receive any government support. Most frequently receive assistance was business loans



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



Key takeaways



- Egypt had a less severe experience with the COVID-19 pandemic than some of its neighbours, but the pandemic still exacted a large toll on the wellbeing of the population
- With high informality, it was less likely to have outright loss of employment, but the pandemic was experienced as a loss in working hours and income
- Those with tenuous connections to the labour market, such as women and youth, saw their employment rates being negatively affected
- Formal sector workers, especially public sector workers, were substantially shielded from negative labour market effects of pandemic
- Informal and self-employed workers were particularly vulnerable to reductions in income
- Levels of low household wellbeing were high and rising through the first half of 2021
- Small and medium enterprises did not see substantial improvement in their situation from the first to the second quarter of 2021

*Thank you for
your attention!*



Questions?!