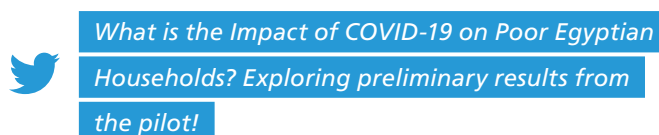


# The Impact of COVID-19 on Poor Households in Egypt: Preliminary Results from the Pilot

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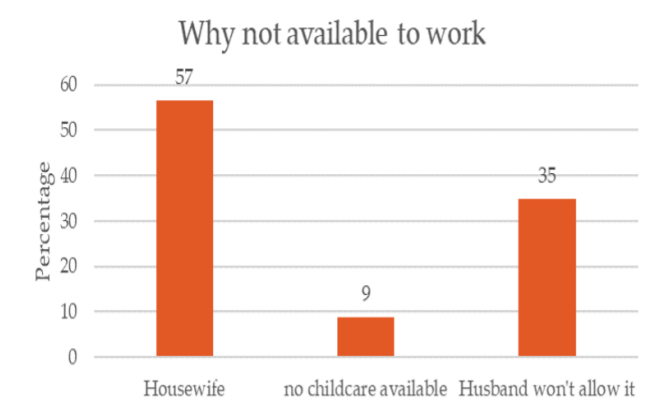
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## Topic at a Glance

Despite rising educational attainment, FLFP has declined in Egypt; in 2018, only 17% of women were employed (Krafft, Assaad, and Keo 2019). There are three main explanations as to why FLFP globally and in Egypt remains low: women's high opportunity cost of time (determined by childcare responsibilities), weak labor demand and restrictive gender norms. The Jameel Poverty Action Lab (J-PAL) in collaboration with IZA will evaluate the impact of access to nurseries on FLFP using a randomized control trial. The evaluation was designed to investigate whether the cost of childcare discourages female employment and how this interacts with two other potential barriers to female employment: limited access to jobs and restrictive gender norms. Women with young children are doubly challenged by the pandemic. Disproportionately responsible for caregiving, yet faced with the loss of child care options in light of the pandemic and lockdowns, they will face particular difficulties in retaining or gaining work and may face increased stress and pressures within the household. Our plan is to ask a number of questions on the economic and social impacts of the COVID-19 pandemic to assess the gendered impact of the pandemic on households as well as policy responses.



*Caption:* None of the women interviewed were employed. This figure highlights the importance of our intervention; women are in fact not working either because of household responsibilities or gender dynamics at home.

## New Insights

According to the Central Agency for Public Mobilization and Statistics (CAPMAS) COVID impact report in June 2020, 26% of employed individuals in the Household Income Expenditure and Consumption Survey (HIECS) sample lost their jobs, 56% are working less hours, 18% are working on irregular basis (CAPMAS, 2020).

The official unemployment rate decreased from 9.6% in June 2020 to 7.3% in September, due to the resumption of economic activity with the gradual phase-out of lockdown measures. However, the uneven impact among gender persists; during July-Sep. 2020, the unemployment rate among males declined from 8.5% to 5.8%, while the female unemployment rate declined from 16.2% to 15.2%. Looking at the total labor force, compared to pre-crisis levels (March 2020), males who had left the labor force during Q2 2020 re-entered in Q3 to stand at 23.7 million, similar to March. However, in Q3 2020, the female labor force stood at 4.5 million, compared to 5.2 million in March, meaning that at least 0.8 million females have lost their ability or willingness to look for a job during the pandemic (CAPMAS 2020).

As of June 2020, 73% of Egyptian households experienced a decrease in their income since COVID-19. Reasons for the income decrease in order of importance are government precautionary measures (60.3%), unemployment (35.5%), decreased demand (31.5%), and decreased salary (14.5%). Household consumption had also been impacted; while there was a decrease in animal protein, clothes, and transportation spending, there was an increase in spending on rice, oil, legumes, medical supplies, detergents, disinfectants and internet bills.

### Findings:

The pilot was implemented over the span of two days in the El Tebin area. El Tebin is located in Helwan governorate in Greater Cairo and is a low-income slum area. A total of 30 households were interviewed from which data were collected on several aspects related to employment, women's time use, household income and children's education. Since none of the women we

interviewed was employed at the time, there are no insights on impact of COVID-19 on working women.

- Concern over COVID: when asking mothers and their husbands about how worried they are of getting COVID and its economic impact, we find that 43% of men reported being very worried compared to 33% of women. As for when it comes to the economic impact, 66.7% of women and 71% of men reported being very worried. It is worth noting that while some women reported not being worried or only slightly worried, all men were either somewhat or very worried.

- Household income: 30% of respondents reported a decrease in their household income between February 2020 and November 2020. On average households reported a decrease of 20% in their income. Half (48%) of the sample indicated that there was no change in their income over the course of this year while around 20% said that their income increased.

- Household food security: while a third of the sample indicated having no change in their food consumption due to the pandemic, almost half of them indicated that they were forced to reduce the amount of food they eat or buy due to an increase in the prices or a decrease in their income.

- Coping mechanisms: to cope with the challenges presented by the pandemic, 53% of the households turned to borrowing from family and friends while 20% took out money from their savings. This is somewhat in line with the national trend of turning first to borrowing informally. When asked about how they coped with children's education during school closures, 47% of mothers said that they took over teaching them while around 16% depended on online education. 21% reported not doing anything to replace school during its closure.

- Women's time use: 53% of mothers have not changed the amount of time spent on childcare in a normal week between February and December 2020 while 40% reported spending more time than usual and only 3% reported spending less time. When asked to compare time spent on childcare now to when schools were closed, 27% reported that it is more than the usual while 13% said it was less than their usual time spent on a normal week. Moreover, time spent on household chores shows similar patterns; 57% of women reported no change in the usual time they spend on cleaning and cooking and other tasks compared to February 2020. Perhaps the reason is that all the mothers in the pilot have been unemployed since before February 2020 and most of them don't have children at school age nor do they use nurseries for their younger ones.

## Policy Recommendations

- The pilot provides evidence on the need for our intervention to inform mothers of the nurseries around them as well as providing them with an opportunity to find a job through our job placement intervention.

- There is a need to provide options for combinations of care; women tend to stop sending their children to nursery when their older kids are out of school. This was especially true during COVID when the primary schools were shut; women opted to not send their younger children to nursery as well even though nurseries were operational. Providing outside of school care for all children can be a driver for FLFP

## Limitations

- A very small size as only 30 households were interviewed during the first pilot therefore, we can not generalize the findings obtained so far. The figures shown are subject to change as we continue to collect more data.

- None of the interviewed women were employed. Therefore, there are no insights on the impact of COVID-19 on employed mothers.

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*G<sup>2</sup>LM|LIC is a joint program by IZA and the UK Foreign, Commonwealth & Development Office (FCDO) – improving worldwide knowledge on labor market issues in low-income countries (LICs) and providing a solid basis for capacity building and development of future labor market policies.*