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## Views on the Crisis The Egyptian Woman



### Introduction

While the whole world shares the broad outlines of the economic and social repercussions of the Coronavirus (COVID-19), which are unprecedented in its recent history, the implications thereof for each country are linked to the nature of each country's economic system, its ability to withstand the entailed repercussions and the speed of its recovery.

In light of the need to study the sectoral implications of these repercussions in order to address the crisis properly, the Egyptian Center for Economic Studies (ECES), in its initiative, is producing a set of daily reports entitled "Views on Crisis". The reports aim to analyze the implications of the coronavirus crisis for Egypt in relation to a number of vital production and service sectors and to key macroeconomic variables. This ECES initiative comes from the belief that the current critical conditions require directing state's efforts towards achieving two main goals: providing a decent life for Egyptians during the crisis and in the recovery phase, preserving the existing investments-especially domestic investments-and helping to overcome the crisis and prepare for a rapid launch with the gradual decline of the crisis and recovery of the global economy.

The methodology used in these reports is based on an analysis of the supply and demand shocks associated with the crisis cycle in its various stages. Given the lack of detailed data on the sectoral impact of the crisis, the sectoral analysis is based on logical assumptions related to the nature of each sector and the degree of sector vulnerability to previous sever crises that were certainly less severe than the current crisis and different in nature. However, it is a starting point

for the urgently required scientific diligence at this stage.

The reports attempt to provide a detailed perception of the magnitude and direction of crisis impact on each sector at present and until the end of the crisis. They aim to propose quick solutions to reduce the adverse impacts of the crisis in a balanced and integrated means that complement the serious efforts made by the state in this regard, and to offer other longer-term solutions to the existing institutional flaws, clearly revealed by the crisis. It is high time that these flaws are radically removed, which will improve post-crisis development efforts.

***“Previous crises have shown that when women lose their jobs, their engagement in unpaid care work increases, and that when jobs are scarce, women are often denied job opportunities available to men.”***

**The International Labour  
Organization (ILO)**

## **First: Brief description of the subject of the report**

This report aims to study the impact of the Covid-19 pandemic on women in the labor market in Egypt, and how this pandemic, despite its severe negative repercussions on all economic activities in Egypt, represents a real opportunity that must be capitalized on to focus on providing all mechanisms of policies and procedures to empower women to play their role as the main engine for economic recovery in general and to exit from the current crisis in particular.

The Egyptian economy is currently witnessing many developments that require the adoption of many reform measures and structural transformation that enable it to exploit all available resources, especially human resources – Egypt's largest wealth. Although Egyptian women represent almost half of the society in terms of demographic composition, their participation in the labor market does not exceed 24 percent of the workforce, which is a waste of an important human resource capable of real contribution to the desired growth of the Egyptian economy.

Egyptian women suffer from unequal opportunities in many fields, despite the great expected return from increasing their participation, and its positive reflection on the economic conditions of the Egyptian family, and even on the Egyptian economy as a whole. According to



poverty in the context of the Coronavirus pandemic. Women, and girls in particular, suffer from multiplied negative effects at the economic level due to their low incomes compared to males, and their working in unsafe jobs, in addition to the increase in the burden of unpaid care work as a result of children remaining out of school during the pandemic, the increase in the elderly's need for care, and the fact that health service provision authorities are currently overworked.

With the increasing economic and social pressure associated with the curfew and imposing social distancing measures due to the Covid-19 pandemic, it has become necessary to view women as a primary resource to mitigate the economic effects of this pandemic on the status of women in Egypt in particular and on the Egyptian economy in general. In this context, this report begins with dealing with the dynamics of the female labor market in Egypt historically, then sheds light on the most important characteristics of women's participation in the labor market and the reasons that prevent their optimal use. It then conducts an analysis of the impact of Covid-19 on female labor, and finally it offers a number of urgent solutions and institutional proposals to overcome the difficulties faced by females in the labor market in general for many decades and as a result of

the current crisis in particular, thus limiting the desirable growth of the Egyptian economy.

## **Second: Brief historical background on the dynamics of the female labor market**

The role of women in the Egyptian economy has witnessed great development over time in response to the ongoing political, economic and social transformations in the country over the past few decades, especially from the beginning of the 1950s to the present day.

With the change of the political system in the early 1950s, many measures were adopted to enhance female economic participation, which were uncommon prior to this period. The system that guarantees a job in the public sector to everyone who gets a baccalaureate has become responsible for a significant increase in the number and proportion of women in public administration. In addition, the number of women working in industry increased during those years. The average age of working women increased significantly, as women kept their jobs after marriage, and the culture of encouraging women to work has become widespread. However,

uneducated women from poorer classes had more difficulty finding work through usual formal channels.

The era of economic openness that began in the 1970s witnessed increasing difficulty in finding profitable work for women from the poor classes due to increasing competition and high standards of existing jobs at that time. Job opportunities as domestic help declined due to the increase in economic pressure on some groups, the increase in mechanization and the replacement of female workers with machines.

This was followed by the Egyptian government's adoption of economic reform and structural adjustment program, and the related policies and procedures that followed, leading to the decision to float the Egyptian pound in 2016. These successive measures resulted in reducing government support for social services and thus reducing public spending on education and parents' bearing of expenses of educating their sons and daughters, which leads to the inability of many families to send their daughters to school, and thus increased illiteracy rate among females. They also resulted in the move towards privatization and the consequent elimination of excess labor in public enterprise projects, dismissal of many female workers, and consequently high unemployment rates among them due to the weak



competitiveness of the female labor force in the face of the male labor force due to deprivation of females of adequate opportunities for education and training, hence their low skill levels, in addition to lower wage levels for females than males.<sup>2</sup> This led to an increase in the number of women working in informal jobs, especially in light of the competitive climate prevailing in the private sector that may not be commensurate with the family circumstances of many women. The informal sector became the main source of female employment, and as a result, depriving them of many rights and benefits at work.

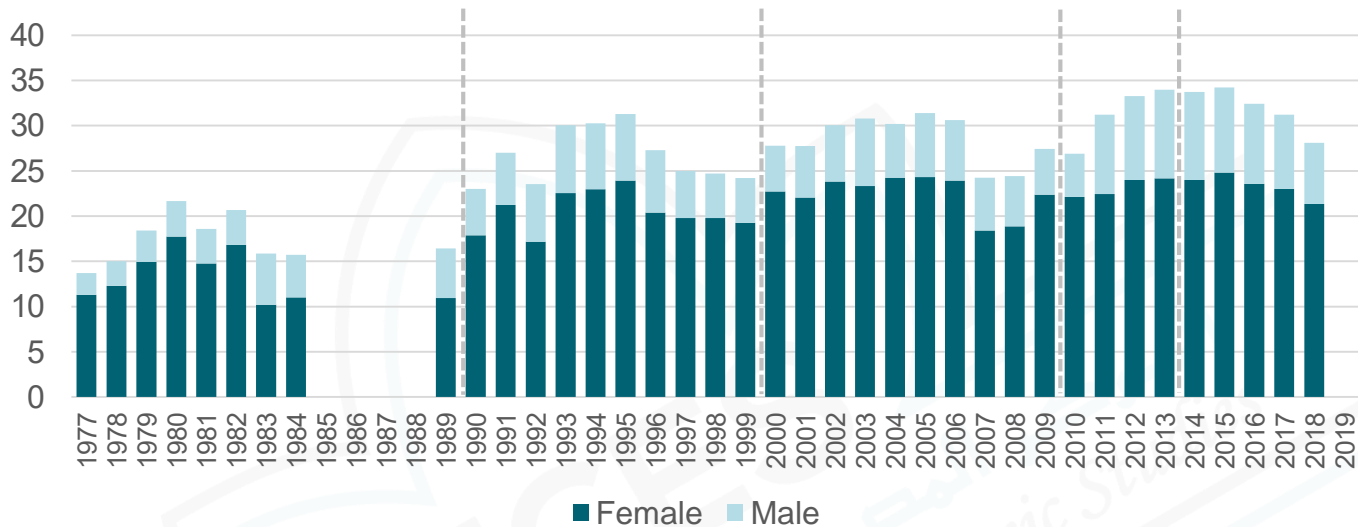
These economic and social conditions were reflected in the features of the female labor market in Egypt and the extent of strength of their position. Figure 1 shows the higher unemployment rate among females compared to males by about three to four times over the various aforementioned time periods. During the period 1977-1989, the female unemployment rate was on the rise until it reached its maximum in 1980 and until 1983, and then began to decline from 1983 to 1989. Thus, it continued to fluctuate between high and low, but the periods 1993-1995, 2005-2007 and 2012-2015 witnessed the

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<sup>2</sup> Ibrahim, Ahmed Hassan. (1994). Some of the effects of economic reform and structural adjustment on Arab women, with a focus on the case of Egypt.

highest rates of female unemployment, which decreased again from 2016 to 2018.

**Figure 1. Evolution of unemployment according to gender during the period 1977-2018**



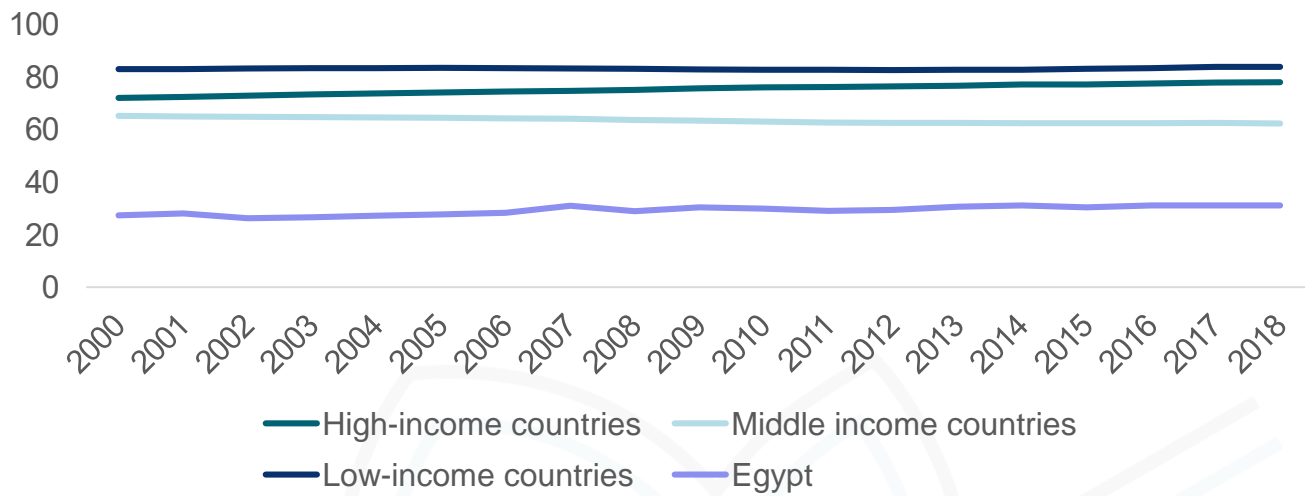
Source: World Bank, World Development Indicators.

\* Data for the period prior to 1977 not available and 2018 is the most recent data available.

In addition to the above, the female to male participation rate in the workforce<sup>3</sup> in Egypt is considered low compared to other countries with different levels of income, as shown in Figure 2. This percentage increased in Egypt in nearly twenty years by approximately 4 percent, from 27.4 percent in 2000 to only 31.2 percent in 2018.

<sup>3</sup> The female to male participation rate in the labor force is calculated by dividing the female labor force participation rate by the male labor force participation rate and multiplying it by 100.

**Figure 2. Ratio of Female to male labor force participation rate (%)**

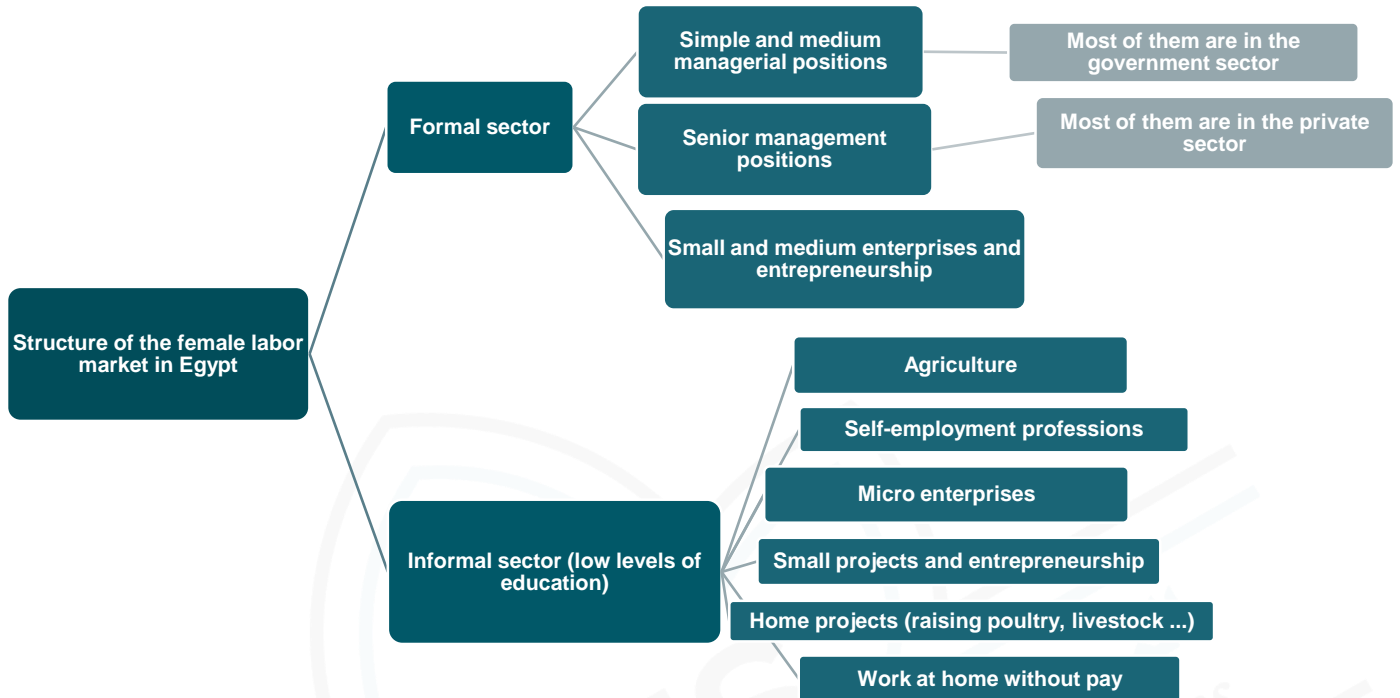


Source: The World Bank, Gender Data Portal.

### **Third: Characteristics of women's participation in the labor market in Egypt**

- Most of the indicators measuring gender inequality confirm a decline in Egypt's ranking with regard to women's economic participation and opportunities. The reason for this is the structure of the labor market and its basic characteristics in Egypt, where it lacks homogeneity, but is more complex than it appears, as shown in Figure 3.

**Figure 3. Structure of the female labor market in Egypt**



Source: The Egyptian Center for Economic Studies (ECES).

- **The most important characteristics of the female labor market in Egypt are summarized as follows:**

3.1. Low female participation in the labor market compared to males.

3.2. Females' preference for governmental work versus the private sector.

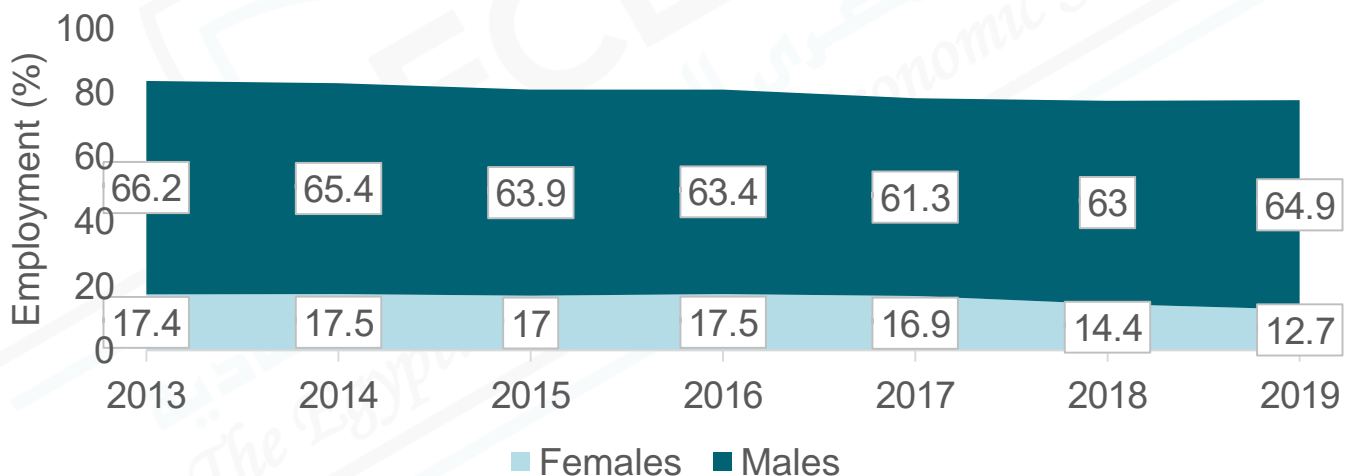
3.3. The sectors of education, ready-made garments, health, social work activities, telecommunications & information, agriculture, retail, food and accommodation are the most sectors employing and attracting females.

- 3.4. Half of the female workforce is employed in paid jobs.
- 3.5. A wage gender difference in a number of economic activities and occupations.
- 3.6. The largest percentage of unemployed women are among those with a technical, university or postgraduate education.
- 3.7. More than half of employed females work in the informal sector.
- 3.8. "Necessity" is the most motivating factor for female self-employment.
- 3.9. The limited role of women in decision-making.
  - 3.9.1. Weak political empowerment of women despite its improvement in recent years.
  - 3.9.2. Low representation of women on boards of directors.
- 3.10. A large gender gap, confirmed by international reports. The following is a detailed explanation of all the aforementioned characteristics.

### 3.1. Low female participation in the labor market compared to males

- As shown in Figure 4 below, the employment rate<sup>4</sup> decreased, for both males and females during the period 2013-2017,<sup>5</sup> and then increased for males to reach 64.1 percent in 2019, but continued to decline among females, reaching 12.2 percent in 2019. This is inferred from the widening gender gap in the employment rate to reach approximately 52 percent.

**Figure 4. Evolution of the employment rate of individuals (15 years and over) according to gender for the years 2013-2018**



Source: Central Agency for Public Mobilization and Statistics, Annual Compiled Bulletin of Labor Force Survey Results 2019, Manpower Bulletin (October-December 2019) 2020.

<sup>4</sup> Employment rate = number of employed / population \* 100.

<sup>5</sup> The most recent year published by the Central Agency for Public Mobilization and Statistics for the employment rate.

This is also confirmed by Table 1 below, where we notice the low participation of females in the labor market compared to males in general, as follows:

- A fourfold decrease in the labor force<sup>6</sup> participation rate among females versus males.<sup>7</sup>
- Females account for only about one-fifth of the workforce (18 percent in 2019 compared to 20.9 percent in 2018),<sup>8</sup> compared to males (82 percent in 2019 compared to 79.1 percent in 2018).
- Lower share of females to less than one-fifth of the total employed (15.3 percent in 2019 and 18.2 percent in 2018).
- Higher unemployment rate among females, reaching three to four times greater than that of males.
- Comparing the years 2018 and 2019, it is evident that there is a relapse in the status of females in the labor market, compared to the same indicators mentioned above:
  - Decrease in female contribution to the labor force between the two years by about 3 percent.

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<sup>6</sup> Participation rate = labor force / population \* 100.

<sup>7</sup> Central Agency for Public Mobilization and Statistics Press release for the annual compiled bulletin of labor force survey results for 2019, April 27, 2020.

<sup>8</sup> Central Agency for Public Mobilization and Statistics, Egypt in figures, 2020 issue.

- Decrease in the share of females in the labor force by about 2.9 percent.
- Decrease in the share of females out of the total employed by about 2.9 percent.
- Increase in the female share of the total unemployed by 4.3 percent.
- Increase in the unemployment rate among females by about 0.3 percent.

**Table 1. Estimation of the labor force, employed and unemployed persons, and the unemployment rate (15 years or more) according to gender in 2018 and 2019**

Period	2018			2019		
Gender	Male	Female	Female share of the total (%)	Male	Female	Female share of the total (%)
Index						
Participation in the labor force (%)	67.6	18.3	18.3	67.3	15.6	15.6
Labor force (thousands)	22842	6022	20.9	23255	5093	18
Employed (thousands)	21290	4731	18.2	22133	3990	15.3
Unemployed (thousands)	1553	1291	45.3	1122	1103	49.6
Unemployment rate (%)	6.8	21.4	21.4	4.8	21.7	21.7



Source: Central Agency for Public Mobilization and Statistics, Annual Compiled Labor Force Survey 2020; and the annual compiled bulletin of labor force survey results 2019, and Egypt in figures 2020.

- At the urban and rural level, by comparing the status of females to each other geographically, we find that females participate more in the labor market in the rural areas compared to urban areas in 2018 and 2019, given their share in the labor force of females and in both the number of employed and unemployed females (Table 2). The unemployment rate among urban females was 24.9 percent compared to 18.7 percent among rural females, as a result of female participation in agricultural activities in the countryside.<sup>9</sup> However, an improvement in urban indicators compared to rural areas was observed in 2019 compared to 2018.

**Table 2. Relative distribution of the labor force, employed and unemployed females between urban and rural areas in 2018 and 2019**

Female share (%) in	2018		2019	
	Urban	Rural	Urban	Rural
Labor force	45	55	47.7	52.2
Female employed	42.6	57.4	45.8	54.2
Female unemployed	53.8	46.2	54.8	45.2

<sup>9</sup> Central Agency for Public Mobilization and Statistics Press release for the annual compiled bulletin of labor force survey results for 2019, April 27, 2020.

*Source:* The calculation was carried out according to the Central Agency for Public Mobilization and Statistics data, the compiled annual bulletins of the labor force survey results for 2019 and 2020.

**3.2. Females prefer government work** as opposed to the private sector, as they are able to reconcile work and family care. Females represent 14.9 percent of the total employed (males and females) in the government sector compared to 15.9 percent<sup>1</sup> in the private sector.<sup>1</sup>

- The period until the late eighties was characterized by the government's automatically appointing those with higher qualifications through the Manpower Authority. Even with the delay in appointment, most women (especially in the governorates) have resorted to waiting with no other alternatives available.
- With the economic reform measures and the cessation of government appointments, females have turned to the private sector, where 57.7 percent of total female employment work, compared to 42.3 percent in the government sector.<sup>1</sup>

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<sup>1</sup> Central Agency for Public Mobilization and Statistics, Economic Census 2018 Results, issued in 2020.

<sup>1</sup> According to the Central Agency for Public Mobilization and Statistics, the private sector includes both the formal and informal sectors (within enterprises).

<sup>1</sup> Central Agency for Public Mobilization and Statistics, Employment, Wages and Working Hours Statistics, 2020.

- In terms of average wages and hours of work, Table 3 indicates the following:
  - The average total weekly wage, in general, for males and females in the public and public business sector is about one and a half times higher than in the private sector, despite the increase in the number of working hours in the private sector compared to the public sector for both genders.
  - Females enjoy advantages in the public sector more than in the private sector, as the public sector is obligated to give wages that are almost equal for performing the same work, and the average wages of females may be even slightly higher than that of males, in addition to other advantages in terms of departure times and childcare leave.
  - This does not apply to the private sector, where the average wage for females is 16 percent lower than that of males in 2019, which means an improvement compared to 2018, when the difference reached 21 percent.

**Table 3. Average weekly wages in EGP and average working hours according to gender and type of establishments (public sector / public business and the private sector) in 2018 and 2019**

Type of est.	2018				2019			
	Males		Females		Males		Females	
	Av. Wage	Av. Work hours	Av. Wage	Av. Work hours	Av. Wage	Av. Work hours	Av. Wage	Av. Work hours
Public	1262	50	1392	49	1455	49	1649	50
Private	911	55	754	55	1052	57	906	56

Source: Central Agency for Public Mobilization and Statistics, Employment, Wages and Hours of Work statistics, 2019 and 2020.

- Women's labor participation in the private sector peaks two years before marriage, decreases slightly a year before marriage, and then decreases in half from 4 percent to 2 percent in the year of marriage. In contrast, employment in the public sector continues to rise over time and is unaffected by the timing of marriage. Unpaid work for women also increases even more after marriage, as new opportunities may open up, as well as unpaid work, which is often at home, hence facilitates reconciliation with the responsibilities of marriage. These trends strongly emphasize the mismatch between paid work in the private sector and women's marital responsibilities.<sup>1</sup>

<sup>1</sup> Krafft, Caroline, Ragui Assaad, and Caitlyn Keo. 2019. "The Evolution of Labor Supply in Egypt from 1988-2018: A Gendered Analysis." Economic Research Forum. Working Paper no. 1358.

### ***3.3. Education, ready-made garments, health, social work activities, telecommunications, information, agriculture, retail,<sup>1</sup> food and accommodation are the most sectors employing and attracting females***

- It is clear from Table 4 that there are a number of sectors that employ the most females, namely education, ready-made garments, health, social work activities, communications and information, agriculture, retail, food and accommodation.
- Comparing 2018 and 2019, it is noticeable that the female share increased in the sectors that most employ women, as shown in Table 4, especially the telecommunications and information sector (32.7 percent in 2019 compared to 12.5 percent in 2018), and food and accommodation services (13.5 percent in 2019 compared to 7.8 percent in 2018), where the female share increased almost twofold or more. As for the ready-made garments and agricultural sectors, the female share declined.

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<sup>1</sup> Pew Research Center, “Young workers likely to be hard hit as COVID-19 strikes a blow to restaurants and other service sector jobs”, 27 March 2020.

**Table 4. The most important sectors that account for female jobs in the public/public business sector and the private sector in 2018 and 2019**

Sector/Activity	The share of females in the total employed in the public / public business sector and the private sector (%)	
	2018	2019
Education	67	68
Ready-made garments	52	49.4
Health and social work activities	49	49.3
Communication and information	12.5	32.7
Agriculture	21	20
Retail trade	17.8	18.5
Food and accommodation services	7.8	13.5

Source: The calculation was done according to the Central Agency for Public Mobilization and Statistics data, statistics of employment, wages and working hours, 2019 and 2020.

- As for the sectoral structure for female employment in the government sector, female work is concentrated in the education and health sectors, where the first depends on females, who represent about a quarter of its employees. It also accounts for half of the female workers in the government sector as a whole. In case of the latter, about half of its workers are female, and employs 26 percent of female workers in all government sectors.

- Women constitute about 42.4 percent of medical doctors and 91.9 percent of the nursing staff who work in the Ministry of Health, and they constitute 73.1 percent of the nursing staff in hospitals and treatment facilities in the<sup>5</sup> private sector.

### **3.4. Half of the female workforce is employed in paid jobs**

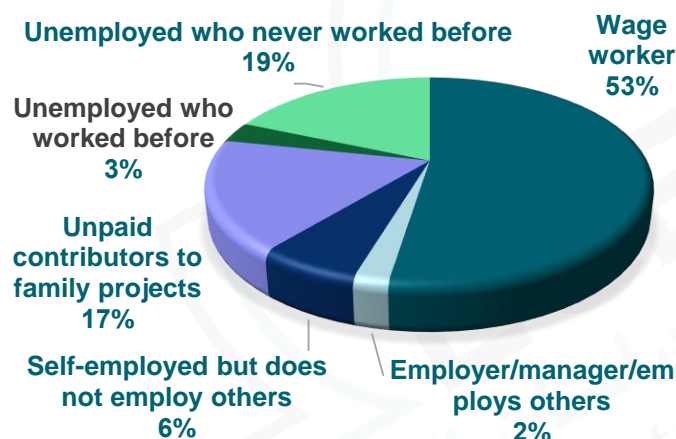
- There is no remarkable difference between the classifications of the female workforce between 2018 and 2019, except for the change between the second and third ranks for the categories of "unemployed women who have never worked" and "unpaid female contributors to projects within the family."
  - In 2019, the percentage of females working for wages continued to rise, reaching about half of their total workforce in 2019, followed immediately, but with a large difference, by unemployed women who have never worked (19 percent), then unpaid female contributors to projects within the family (17 percent). As for the percentage of female entrepreneurs, it is lower, reaching about 8 percent in 2019, as shown in Figures 5 and 6.

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<sup>1</sup> Youm7 <https://www.youm7.com/story/2020/4/19/%D8%AA%D9%82%D8%B1%D9%8A%D8%B1-%D9%8A%D9%83%D8%B4%D9%81-%D8%A7%D9%84%D9%86%D8%B3%D8%A7%D8%A1-%D8%AA%D8%B4%D9%83%D9%84-42-4-%D9%85%D9%86-%D8%A7%D9%84%D8%A3%D8%B7%D8%A8%D8%A7%D8%A1-%D9%8891-9/4731865>

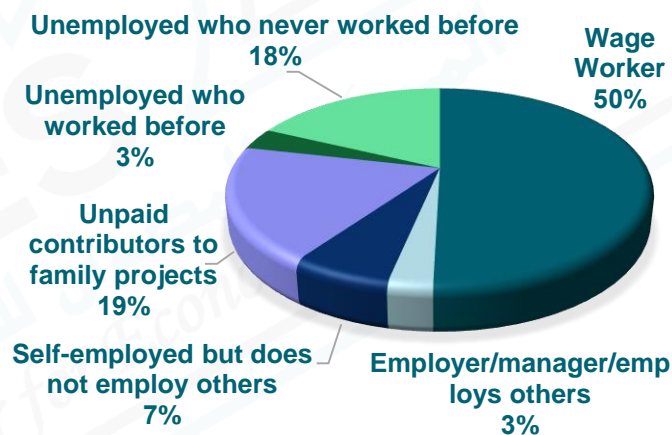
- It can also be noted from the following figures that despite the increase in the percentage of paid female workers by about 3 percent, the share of unemployed women also rose by 1 percent, and the share of female entrepreneurs decreased by about 2 percent.

**Figure 5. Classification of the female labor force according to occupational status in 2018 (%)**



Source: Calculation was done according to the Central Agency for Public Mobilization and Statistics data, Annual Compiled Labor Force Survey Bulletin, 2019.

**Figure 6. Classification of the female labor force according to occupational status in 2019 (%)**



Source: Calculation was done according to the Central Agency for Public Mobilization and Statistics data, Annual Compiled Labor Force Survey Bulletin, 2020.

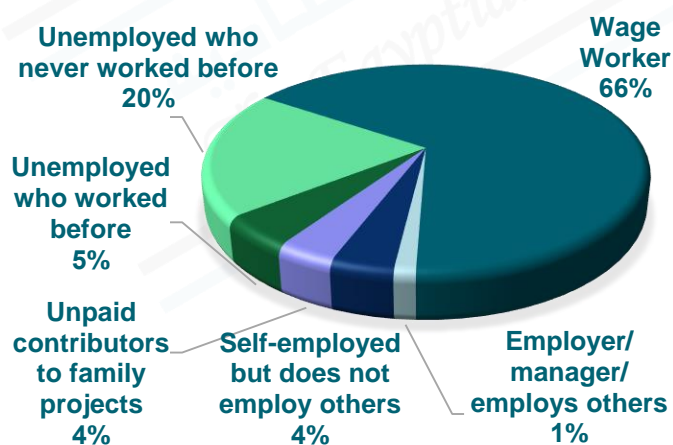
There is an unequal distribution of family care work between men and women. In normal times, women and girls are responsible for pursuing productive household projects such as raising livestock and poultry, in addition to caring for the family, due to social norms.



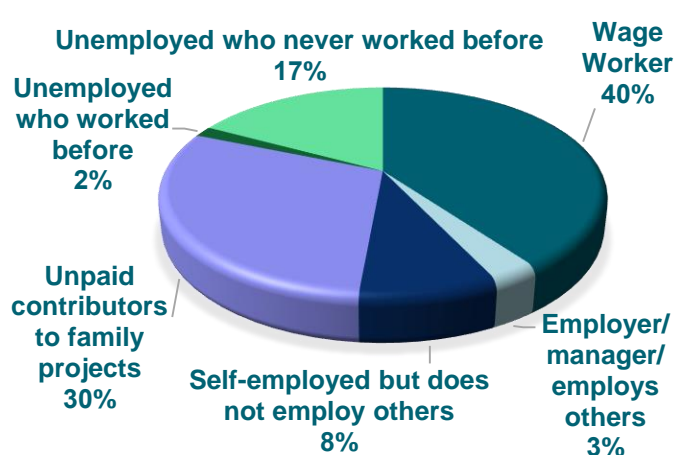
About 91 percent of women spend time on unpaid household activities compared to only 26 percent of men.<sup>1</sup> 6

- The above is clearly visible in the rural areas than in urban areas, as shown in Figures 7 and 8, where 4 percent of the female labor force works in family projects without pay in urban areas. This percentage rises in the rural areas to reach 30 percent, because family enterprises such as raising poultry and livestock dominate female activities in the rural areas more than in urban areas. Also, the percentage of women working for wages in urban areas is 66 percent compared to 40 percent in rural areas in 2019.

**Figure 7. Classification of the female labor force according to labor status in 2018 (%)**



**Figure 8. Classification of the female labor force according to labor status in 2019 (%)**



<sup>1</sup> OECD. The Covid-19 Crisis in Egypt. 20 April 2020.

*Source:* Calculation was done according to the Central Agency for Public Mobilization and Statistics data, Annual Compiled Labor Force Survey Bulletin, 2019.

*Source:* Calculation was done according to the Central Agency for Public Mobilization and Statistics data, Annual Compiled Labor Force Survey Bulletin, 2020.

### ***3.5. A wage gender difference in a number of economic activities and occupations***

- Despite the equal average working hours between males and females in many economic activities, such as manufacturing activities, including beverages, food, accommodation and education services, and even higher for females in a number of other sectors, especially ready-made garments and leather, ranging between 2 percent to 31 percent, the average wages of females in these activities are lower than those of males by 1 percent to 48 percent, as shown in Table 5.

**Table 5. Average weekly wages\* in EGP and average working hours according to gender and selected economic activities in 2019**

Economic activity	Males		Females			Female to male wage ratio (%)
	Average wage	Average working hours	Average wage	Average working hours	Ratio of average working hours for females to males (%)	
Manufacturing Industries	902	56	797	56	100	88.3
• Food products	898	55	744	56	101.8	82.8
• Beverage industry	860	59	836	59	100	97.2
• Ready-made garments	850	58	439	64	110.3	51.6
• Leather and leather products	871	51	735	67	131.4	84.4
• Furniture and wood products	851	53	620	56	105.7	72.8
Food and accommodation services	736	57	729	57	100	99
Education	614	55	583	55	100	95
Health and social work activities	1042	57	815	53	93	78.2
Arts, creativity and entertainment activities	872	52	706	55	105.8	81

Source: Central Agency for Public Mobilization and Statistics, Employment, Wages and Hours of Work Statistics, 2020.

\* Available data are the total average wages for all jobs and job grades under the same economic activity without differentiating between different job grades.

- The above also applies to a number of professions, where the working hours of females are higher compared to males, and yet the wages of females are lower than that of males from about 17percent to 53percent, including, for example, workers in ordinary professions, factory operating workers, craftsmen, and workers in services, shops and sales markets, as we can see from Table 6.

**Table 6. Average weekly wages in EGP and average working hours according to gender and occupation in 2019**

Occupation	Males		Females			
	Average wage	Average working hours	Average wage	Average working hours	Ratio of average female to male working hours (%)	Female to male wage ratio (%)
Specialists - those with a scientific profession	1560	51	1158	52	102	74.2
Technicians and assistant specialists	1251	52	946	53	102	75.6
Clerks	1432	51	1436	53	104	100.3

Workers in services, shops and sales markets	1217	53	840	55	103.8	69
Skilled workers in agriculture and hunting	1104	50	911	54	108	82.5
Craftsmen and the like	1177	52	712	53	102	60.5
Factory operators, machine operators, and production component assembly workers	1024	55	555	60	109	54.2
Ordinary occupational workers	1068	52	497	56	107.7	46.5

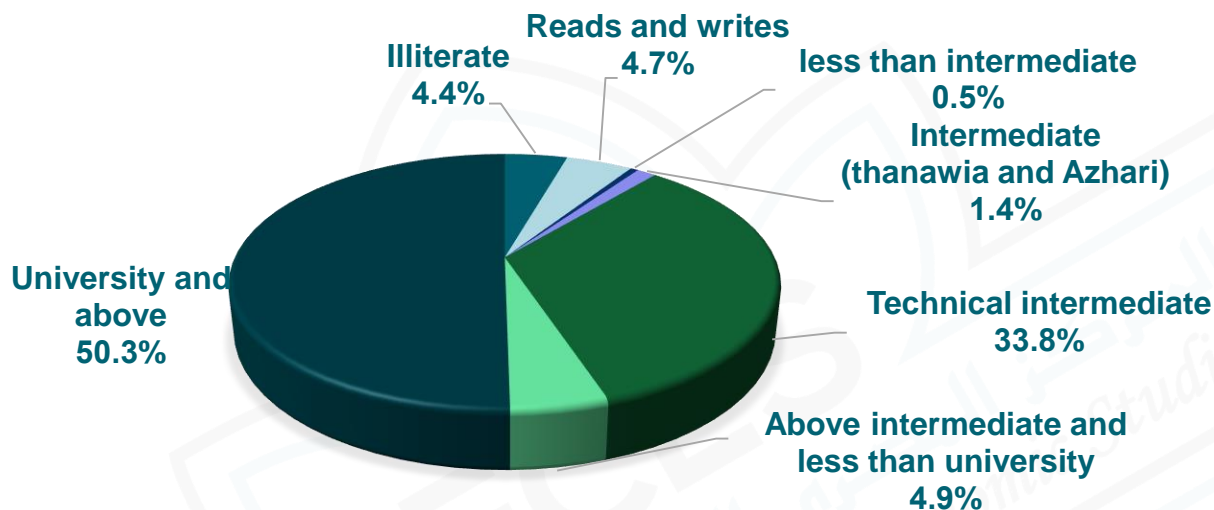
Source: Central Agency for Public Mobilization and Statistics, Employment, Wages and Hours of Work Statistics, 2020.

### **3.6. The largest share of unemployed are women who have an intermediate technical, university and postgraduate education**

- Figure 9 shows that women with higher university and postgraduate education represent the largest percentage of unemployed women, which is almost half. The second category who are the most unemployed are those with a technical intermediate education (34 percent), while the percentage is much lower among those with less than university education,

with its lowest value being for below intermediate education in 2019.

**Figure 9. Distribution of unemployed women according to educational status out of the total number of unemployed women in Egypt in 2019 (%)**



*Source:* The percentages were calculated according to the data of the Central Agency for Public Mobilization and Statistics, Annual Compiled Labor Force Bulletin, 2020.

- With the increase in educational attainment, a higher overall participation of females was expected over time in the labor market. But this was not the case, as participation rates among educated women decreased dramatically over time. For example, participation at the intermediate level (the most common educational achievement in Egypt) decreased from 42 percent in 1998 to 20 percent in 2018. Likewise, participation

among women with a university degree decreased from 73 percent in 1998 to 51 percent in 2018. While the participation of men has decreased over successive years at all levels of education, it decreased for more educated women even more. The low participation among educated women is attributed to several reasons, including the decrease in job opportunities in the public sector, leaving many females to work in the private sector upon marriage, which contributes to low employment rates among married women,<sup>1</sup> in addition to the presence of the so-called glass ceiling. The latter means educated females are denied access to some jobs and a number of leadership positions, something which will become apparent when addressing the section on the limited role of women in decision-making.

### ***3.7. More than half of employed females work in the informal sector<sup>1</sup>*** <sup>8</sup>

- The informal sector account for 63 percent of total employment in all sectors and represents 30-40 percent of GDP. Informal

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<sup>1</sup> Krafft, Caroline, Ragui Assaad, and Caitlyn Keo. 2019. "The Evolution of Labor Supply in Egypt from 1988-2018: A Gendered Analysis." Economic Research Forum. Working Paper no. 1358.

<sup>1</sup> A separate report in the<sup>8</sup> "Views on the Crisis" series has been devoted to analyzing the informal sector in detail. <http://www.eces.org.eg/PublicationsDetails>

enterprises represent about 90 percent of all small and micro enterprises in Egypt.<sup>1</sup>

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- 53.2 percent of the total number of employed women work in the informal sector,<sup>2</sup> where women's jobs are mainly concentrated in informal, insecure, low-wage and low-skilled jobs, or in areas where social protection and career advancement opportunities are not available.
- As shown in Figure 10, the largest share of female informal employment is in agriculture, which is estimated at 81 percent, followed with a large difference by services with a share of nearly 16 percent. This contrasts with the distribution of informal employment for males, which is characterized by a highly equal distribution between the three sectors compared to females.

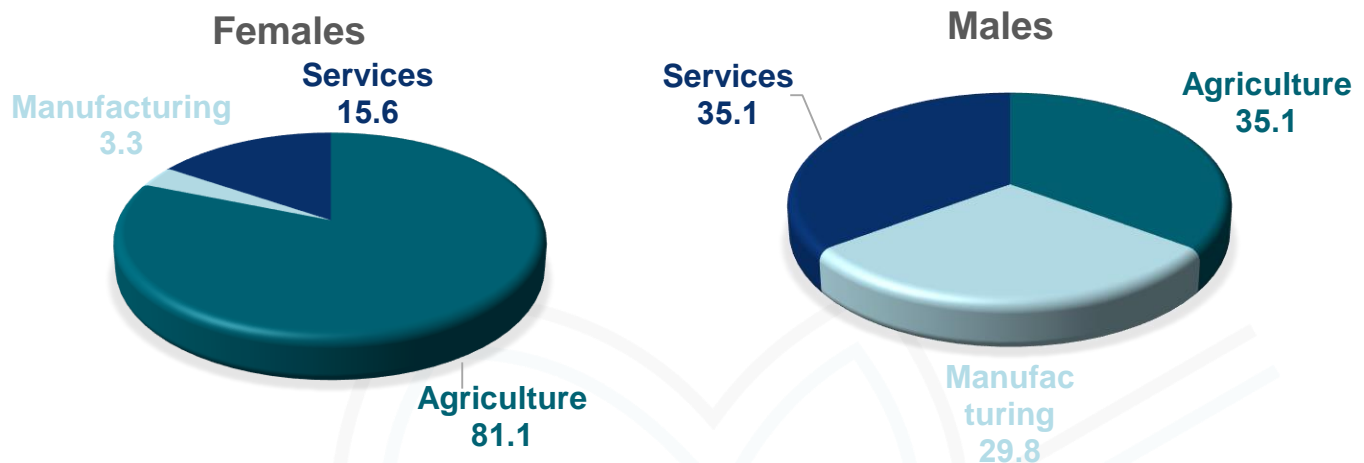
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<sup>1</sup> Source: OECD. The Covid-19 Crisis in Egypt. 20 April 2020.

<sup>2</sup> International Labor Office. 2018. Women and men in the informal economy: a statistical picture (third edition).



**Figure 10. Distribution of informal employment according to gender and sector**

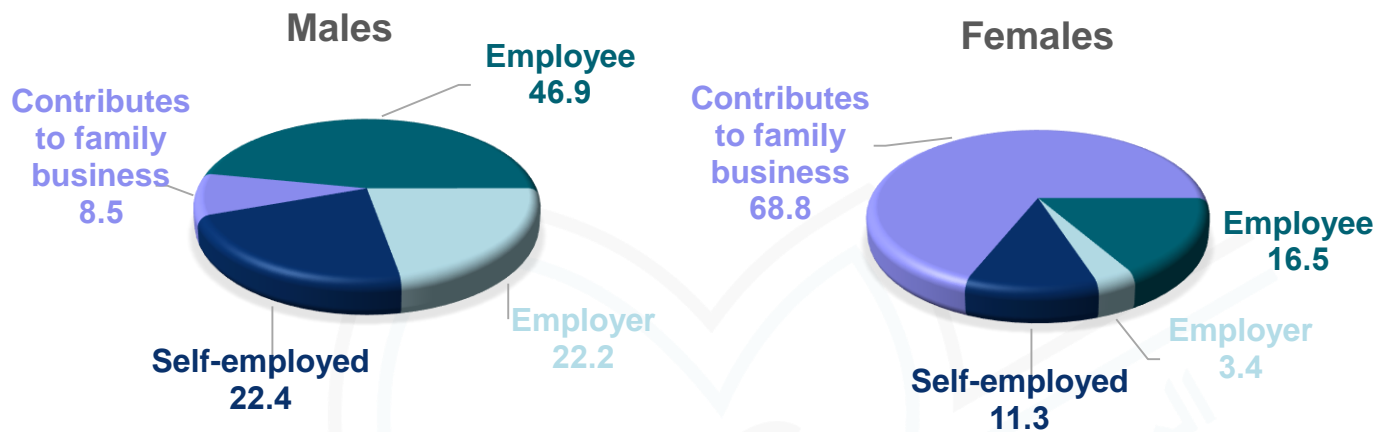


Source: International Labor Office. 2018. Women and men in the informal economy: A statistical picture (third edition).

- 99.3 percent of the females who work in agriculture work informally,<sup>2</sup> as they are usually seasonal workers who work for an unstable return, and therefore they are not covered by social protection plans such as unemployment insurance.
- As shown in Figure 11, 68.8 percent of female informal workers work in family-related work and activities for the benefit of others and often without pay, while this percentage decreases greatly for males and is estimated at only 8.5 percent, and “works for others” account for the largest percentage (47 percent).

<sup>2</sup> International Labor Office. 2018. Women and men in the informal economy: a statistical picture (third edition).

**Figure 11. Distribution of informal employment according to gender and work status**



Source: International Labor Office. 2018. Women and men in the informal economy: a statistical picture (third edition).

### **3.8. "Necessity" is the most motivating factor for female self-employment**

- Within the framework of the Egyptian Center for Economic Studies (ECES) collaboration with the National Council for Women in preparing a strategy for the economic empowerment of women in 2016, ECES conducted a field research that included fourteen in-depth focus groups that included about 164 girls and women in 13 governorates. The sessions aimed to identify obstacles to the economic empowerment of Egyptian women, the most prominent factors that impede empowerment,

and to identify how these obstacles differ for different groups of women and their relevance to place of residence, age and social level, in addition to identifying the drivers of change that can have a radical impact on the reality of women. The research reached the following results regarding the most important features of females' resorting to self-employment:

- “Necessity” is the most motivating factor for women to resort to the choice of entrepreneurship, as models of “Necessity Entrepreneurs” prevailed among most women, especially those over the age of forty, and in governorates with limited economic opportunities. Some models may combine the existence of a project or activity with another job to increase income.
- Most of the groups enrolled in the labor market out of need are those with an intermediate education or less, aged 45 years or more, especially if they happen to be in closed societies that do not encourage women’s work, such as Upper Egypt or rural areas. Circumstances differed including widowhood, divorce, lack of support from the husband or distress. While the drive for self-affirmation and completion of post-education process is more visible with

those with higher qualifications and younger participants, even if they are in the rural areas, Upper Egypt, or Bedouin communities. This, of course, does not negate the existence of models located in the middle areas between the two groups.

- With the increase in the level of education of women and the lack of presence of the private sector in some governorates, and the government ceasing to employ, NGOs represented the field of work experience for women wishing to work in many governorates that suffer from limited opportunities, mainly Upper Egypt and South Sinai.
- Civil work represents a professional turning point for many women to go through the experience of establishing private enterprises, providing knowledge about opportunities and networking in the economically developed governorates (Cairo, Alexandria and Port Said).
- For women with limited or no income, microfinance is often the only option to obtain funds to start a business that can help support families and avoid certain social difficulties associated with traditional jobs. Most women depend at the

start of their projects on savings or money borrowed from individuals.

- Women resorting to self-employment, especially in non-urban governorates, is usually driven by need. However, with the development of the economic structure of governorates, the increase in the educational level of women and their ability to realize economic opportunities, patterns of "opportunity entrepreneurship" appeared. However, there are still a number of structural factors that impede women from self-employment (which will be discussed in detail in the next section of the report).
- Modern models of women entrepreneurs have appeared in some governorates of Upper Egypt, especially Luxor, but they were often immigrants from other governorates.
- Women-owned businesses tend to be informal, home-based, and concentrated in the microenterprise and traditional sectors, which primarily include retail and services.<sup>2</sup> 2
- About one in 3.5 entrepreneurs is a woman (7.5 percent of women versus 18.8 percent of men).<sup>2</sup> 3

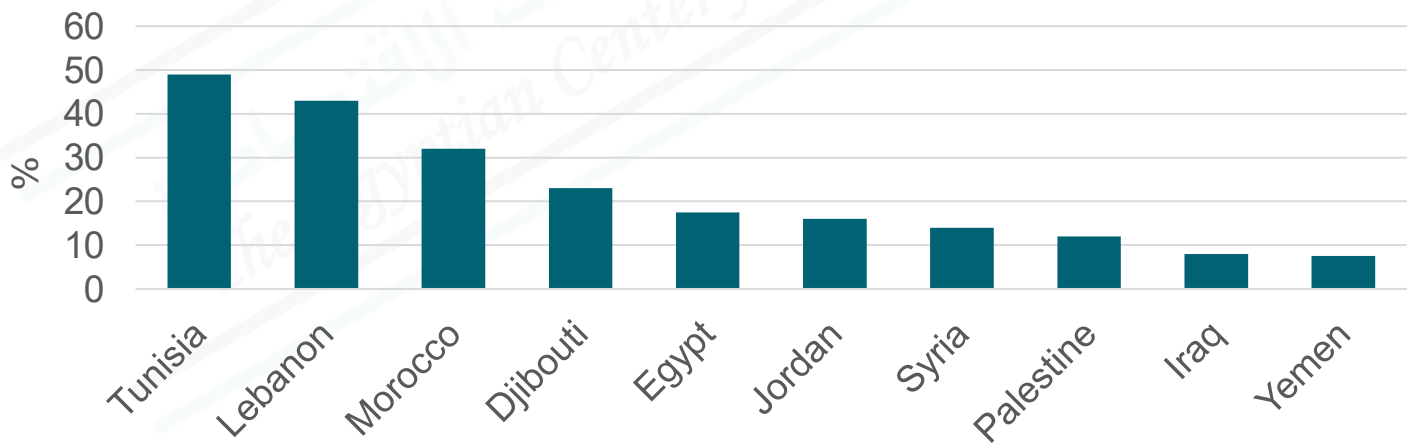
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<sup>2</sup> Global Entrepreneurship Monitor (GEM) Report, different issues

<sup>2</sup> IBID

- Women-led businesses have a lower likelihood to continue as compared to men-led businesses.<sup>2</sup> 4
- Firms in which females share ownership in Egypt (about 18 percent) accounts for a low percentage in MENA countries (about 23 percent).<sup>2</sup> 5
- In MENA, the share of companies in which women participate is low, especially countries such as Yemen, Iraq and Palestine. However, there are notable exceptions, such as Tunisia and Lebanon, where ownership rates exceed 40 percent, while Egypt does not exceed 17-18 percent (Figure 12).<sup>2</sup> 6

**Figure 12. Percentage of female-owned companies in Egypt compared to some countries in MENA**



<sup>2</sup> IBID 4

<sup>2</sup> The World Bank, Enterprise Surveys, Egypt 2016 5

<sup>2</sup> International Labour Organization, Constraints and good practice in women's entrepreneurship in MENA. Case study: New evidence on gender attitudes towards women in business. International Labour Office, Impact Report Series, Issue 10. Geneva: 2018.

Source: ILO, Constraints and good practice in women's entrepreneurship in MENA.

Case study: New evidence on gender attitudes towards women in business. 2018

### **3.9. The limited role of women in decision-making**

#### **3.9.1. Weak political empowerment of women despite improvement in recent years:**

- The January 2011 Revolution created a large space for women's political mobility, although the percentage of women's representation in the People's Assembly (currently the House of Representatives) immediately after the Revolution did not differ much compared to before the Revolution, as the percentage was close to that of the 2005 Parliament (about 2 percent).
- The Egyptian constitution promulgated in 2014 came to revolutionize the representation of women in parliament, as it states in Article 11 that:
  - The State guarantees equality between women and men in all civil, political, economic, social and cultural rights in accordance with the provisions of the constitution.

- The State shall take measures to ensure adequate representation of women in the representative councils, in the manner specified by law.
- It also guarantees the right of women to assume public and senior management positions in the State and to be appointed to judicial authorities and bodies, without discrimination. The State commits to protecting women against all forms of violence, and guarantees empowering women to reconcile family duties with work requirements.
- It is also committed to providing care and protection for motherhood, childhood, breadwinning women, the elderly, and needy women.
- While the percentage of women in the Egyptian parliament was 2 percent in 2013, it reached 15 percent in 2018, which represents the highest representation of women in the Egyptian parliament since women were given the right to run for the first time in the 1957 elections. Women in the current parliament occupy 90



seats.<sup>2</sup> Egyptian women also obtained 25 percent of parliamentary seats in the new constitutional amendments in 2019.<sup>2</sup> 8

- The constitution also allocated a quarter of the seats for women in local councils, according to Article 180 of its provisions. This is considered a positive step towards achieving women's representation in parliament, as the local councils provide a mass base that allows women later to increase their chances of success in the elections to the House of Representatives. The local councils have not yet been formed because the local administration law has yet to be put into force.
- However, the female share of ministerial positions is still limited, not exceeding a quarter, as it is estimated at 24.8 percent in 2019, but it should not be overlooked that it increased twofold compared to 2017 (11.8 percent).

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<sup>2</sup> <https://www.almasryalyoum.com/news/details/1453818>

<sup>2</sup> <https://www.sis.gov.eg/Story/116462/%D8%A7%D9%84%D9%85%D8%B1%D8%A3%D8%A9-%D9%81%D9%8A-%D8%A7%D9%84%D8%B3%D9%84%D8%B7%D8%A9-%D8%A7%D9%84%D8%AA%D8%B4%D8%B1%D9%8A%D8%B9%D9%8A%D8%A9?lang=ar>

### **3.9.2. Weak representation of women in boards of directors (results of the annual report of the Women on Boards Observatory<sup>2</sup> for the year 2018):**

- The presence of women among company owners and senior managers is very limited (2.4 percent and 4.9 percent of companies, respectively)<sup>3</sup> . Banks lead the percentage of women's representation on boards of directors, followed by companies listed on the stock exchange, and then public business sector companies, as shown in Table 7 below:

**Table 7. Percentage of female representation in the boards of directors of banks, listed companies and public business sector companies (%)**

<b>Representation of women on boards of directors</b>	<b>Banks</b>	<b>Listed Companies</b>	<b>Public Business Sector Companies</b>
Women are not represented in boards of directors	41	54	69

<sup>2</sup> Women on Boards Observatory is a qualitative observatory specialized within the Women's Observatory of the National Council for Women. It includes in its formation the Ministry of Planning and Economic Development, the Ministry of the Public Business Sector, the Central Bank of Egypt, the Egyptian Stock Exchange, the Financial Supervisory Authority, the National Council for Women, the School of Business Administration at the American University in Cairo, United Nations Development Programme, UN Women, International Finance Corporation, European Bank for Reconstruction and Development, American Chamber of Commerce and Women and Memory Forum.

<sup>3</sup> WEF, the Global Gender Gap Report 2020

Percentage of female representation in boards of directors with female representation	11.4	10.2	8.3
Positive role models for the representation of women	just one It includes more than 30% of women on the board of directors	21 companies have female representation (33% - 67%)	13 public business sector companies have more than 30% female representation, ranging between 33% and 100%
			Highest representation of women in pharmaceutical companies, at 22%
			The lowest percentage of women represented in construction and development companies, an estimated 2.5%

Source: Prepared by the researcher based on SIS data, “The Ministry of Planning announces the results of the annual report of the Women’s on Board Observatory for the year 2018,” August 2019 (this is the available source and the full report is not available on the Ministry's website).

### 3.10. A large gender gap, confirmed by international reports

- For example, Egypt ranks 134 out of 153 countries according to the Global Gender Gap Index report issued by the World Economic Forum 2020, with an improvement of one place compared to the 2018 report. It is also ranked sixth in the Arab world after the UAE, Kuwait, Tunisia, Algeria, and Bahrain.

Egypt's lagging behind in the global ranking, according to the report, is attributed to many factors, most important of which are:

- The high rate of illiteracy among females compared to males, where the illiteracy rate for males is 21.1 percent compared to 30.8 percent for females in 2017.<sup>3</sup> 1
- Low female participation in economic life, and the obstacles women face in obtaining assets and financing. As a result, the differences in income (which include wage and non-wage earnings) between men and women are large. It is estimated that a man's income is about 3.8 times that of a woman's on average.<sup>3</sup> 2
- Weak political empowerment of women.
- According to the Women, Business and the Law 2020 report issued by the World Bank, the average value of the index for Egypt was 45 according to the average values of eight indicators on which the calculation is based, as shown in Table 8, which is much lower than the global average for the same index (75.2), while a number of countries succeeded in reaching full index

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<sup>3</sup> Central Agency for Public Mobilization and Statistics, press release issued on the occasion of the International Literacy Day, September 2019.

<sup>3</sup> The Global Gender Gap<sup>2</sup> Report 2020.

scores, namely: Belgium, Canada, Denmark, France, Iceland, Latvia, Luxembourg, and Sweden.

**Table 8. Egypt's position according to the indicators of the Women, Business and the Law Report 2020\***

Indicator	Freedom of movement	Rights in the workplace	Pay	Freedom to choose the timing of marriage	Freedom to choose timing of Procreation	Entrepreneurship (Freedom to run a private business)	Disposal of property	Pension	WBL 2020 score
Value	50	75	0**	0**	20	75	40	100	45

Source: World Bank: Women, Business, and the Law 2020 Report.

\* The report "Women, Business and the Law" examines how laws affect women at different stages in their working lives, and focuses on those laws in force in major commercial cities in 190 countries. The report computes an unweighted average score for eight indicators on a scale of 0-100, with 100 being the best overall score.

\*\* Despite the importance of the indicator and its results, it is necessary to look at the results of the report with caution, as the estimates of "zero" for the indicators of pay and freedom to choose the timing of marriage greatly contradict Egypt's economic and social reality.

- According to the International Labor Organization model estimates, the participation rate of women in Egypt is much lower than that of men. Female participation rates for the 15-64 age group in Egypt reached 25 percent (compared to 76 percent for men) in 2018. Egypt occupies the 11<sup>th</sup> place among the lowest

countries in terms of participation out of 189 countries for which the International Labor Organization publishes estimates.<sup>3</sup>

#### **Fourth: Reasons behind the lack of optimal exploitation of women in the labor market**

- **The field research conducted by the Egyptian Center for Economic Studies (referred to previously) and its results indicated that there are four main factors that affect the economic empowerment of women, namely:**
  - Openness to other experiences and cultures
  - Availability of information and the ability to deal with it
  - Availability of communication technology
  - The supportive environment of culture, services and infrastructure

In light of these four factors, we present below the most important obstacles that affect the extent of female participation in the labor market in general, and then highlight the

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<sup>3</sup> Krafft, Caroline, Ragui Assaad, and Caitlyn Keo. 2019. "The Evolution of Labor Supply in Egypt from 1988-2018: A Gendered Analysis." Economic Research Forum. Working Paper no. 1358.

circumstances surrounding them when entering the field of self-employment.

- **General obstacles:**

- **The social and cultural legacies that women are less capable and productive than men** and that their participation in the labor market is crowding out men and limiting their economic opportunities, the prevalence of their full responsibility for household and caring for children and the elderly, and family problems that they may face as a result of their failure to undertake such responsibilities.
- **The lack of qualified nurseries within the work environment** to take care of the children of female employees, as many married women leave work because they need to take care of their children.
- **Decline in the financial conditions of families**, and thus preference is given to male education over female education.
- **High fertility rates**, especially in rural areas, and the unequal gender division of unpaid domestic work.
- **The weak public transport network** and the poor service provided, which consumes long hours from employees in

going and returning from work, in addition to the fact that spending on means of transportation affects their total income.

- The **harassment and discomfort** that the woman may experience.
- **Labor laws** do not directly oblige the employer not to discriminate between the sexes, avail equal opportunities for advancement and progression in positions for both sexes, in addition to insufficient maternity leave for women after childbirth.
- **Decline in working conditions for women in the labor market, especially in the informal private sector**, in which women are denied contractual protection, work rights and special benefits.<sup>3</sup> 4
- **The lack of proper qualification** and empowerment of women in order to provide decent participation in the labor market as a result of the lack of training programs and the lack of information about them.

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<sup>3</sup> The American University in Cairo, Social Research Center, Research Program on "Women and Work," November 2009.



- **Obstacles faced by women in self-employment during the stages of establishing the project:**

They are not much different from the additional obstacles women face in the labor market compared to men, although they are worth noting in light of the different circumstances, as follows:

- The additional obstacles that women face during the first stage of the of the project (ideation) come as a result of the lack of experience and increased burden of family care in the age group 18-45 years.
- Far from the governorates of Cairo, Alexandria and Port Said, women face special challenges in choosing the work sector, which is often designed to serve limited local demand and in women's activities.
- As for the gender challenges due to the social segment, they are related to the surrounding culture, and women's acceptance of dealing with men whether merchants or consumers. Of course, there is a cultural nature to the gender obstacles based on geographical location and whether the place of residence is rural or urban. These obstacles continue through the following stages until the stability stage is passed.

- Barriers to obtaining the necessary financing and market knowledge. In Egypt, 73 percent of adult females (nearly 24 million individuals) do not benefit from formal banking services; with a gap of about 12 percent versus men. This is likely due to high levels of informality in the private sector, which increased from 30 percent in 1998 to more than 40 percent in 2012, including many unregistered small enterprises established by females.<sup>3</sup> As for the marketing circles of necessity women entrepreneurs, they are concentrated in the acquaintances and the surrounding context, as they lack knowledge of the dynamics of demand and areas of marketing.
- With the project reaching the stage of expansion and growth, the obstacles between women and men are equal in all groups. As long as women are able to pass the previous stages, this means that they have overcome gender barriers and reached macro or sectoral economic obstacles.
- The urban governorates are the most fortunate with respect to the availability of the four factors, followed by the governorates

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<sup>3</sup> Mckinsey & Company. 2020. Women at Work: Job opportunities in the Middle East set to double with the Fourth Industrial Revolution.

of Lower Egypt, while the governorates of Upper Egypt and border governments are the least fortunate.

- Border and Upper Egypt governorates suffer from long distances and the difficulty of moving internally and between governorates, which affects women's exposure, in addition to lack of electronic devices and thus communication technology.

**Despite the many difficulties that women face in the labor market, social and cultural factors are still largely responsible for the weak participation of women in the workforce and the high rate of female unemployment. The means of women's participation in economic life are still subject to strict social restrictions, which resulted in an imbalance in the status of females in the labor market in Egypt.**

### **Fifth: Demand and supply shocks in the context of the crisis cycle**

**At the outset, it should be noted that some previous issues of the “Views on the Crisis” series have dealt with the impact of the spread of the Corona pandemic on females by addressing the negative effects it has had on economic activities in the context of studying other topics. Therefore, this section will not discuss the sectoral impact analysis on women in the labor**

market in detail, but will shed light on global developments and Egypt's position in this regard.

***5.1. The following facts have been proven universally, as they apply to the Egyptian case:***

- **In recent economic crises, like the one in 2008**, job losses among men were much higher than women. One reason is that relatively more men are employed in industries that were severely affected by a standard downturn (such as manufacturing and construction), while women's employment is concentrated in sectors less affected by economic cycles such as healthcare and education.
- **In contrast to most previous economic crises, COVID-19 is a health crisis with many social dimensions. This crisis has caused and continues to cause disproportionate harm to female jobs and their incomes compared to males globally, as follows:**
  - **The current crisis has a major impact on service professions that are characterized by a high percentage of female employment**, such as the tourism and hospitality sector including the restaurants and travel services, in addition to the retail trade sector and the

garment industry. Women are one-third more likely than men to work in a sector that has been severely affected or closed down entirely by the pandemic, such as the retail and hospitality industries.

- **The International Labour Organization has identified accommodations (hotels, resorts) and food services as sectors that are expected** (which is already witnessed) to witness a sharp decline in their output due to the current crisis, as they are labor-intensive sectors and employ millions of workers with low wages and modest skills. In many countries, the first round of layoffs has been particularly acute in the service sector, including retail and hospitality, where women are overrepresented. Consequently, most of those laid off or faced substantial pay cuts and an existing or possible loss in their work are women.<sup>3</sup>

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- Due to the nature of this crisis, **there is a great demand for the physical presence of female workers in the health sector**, and less demand for the physical presence of female workers in the education sector because of distance education.

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<sup>3</sup> ILO, ILO Sectoral Brief, COVID-19 and the tourism sector, 9 April 2020.

- **Women are more at risk of infection**, as they make up nearly 70 percent of the global healthcare workforce.
- **More men than women work in jobs that can be conducted remotely**, 28 percent for men versus 22 percent for women globally.<sup>3</sup>
- **The situation is worse in developing economies** than in advanced economies, where the vast majority of working women live in the informal economy with little protection against dismissal or paid sick leave and limited access to social protection.
- **Even if females work in jobs and activities that are still stable, many women still struggle to balance work and additional care responsibilities resulting from school closures and childcare nurseries**, as more than 1.5 billion school and university students around the world are absent from schools and universities according to UNESCO estimates<sup>3</sup> (as of March 25, 2020).

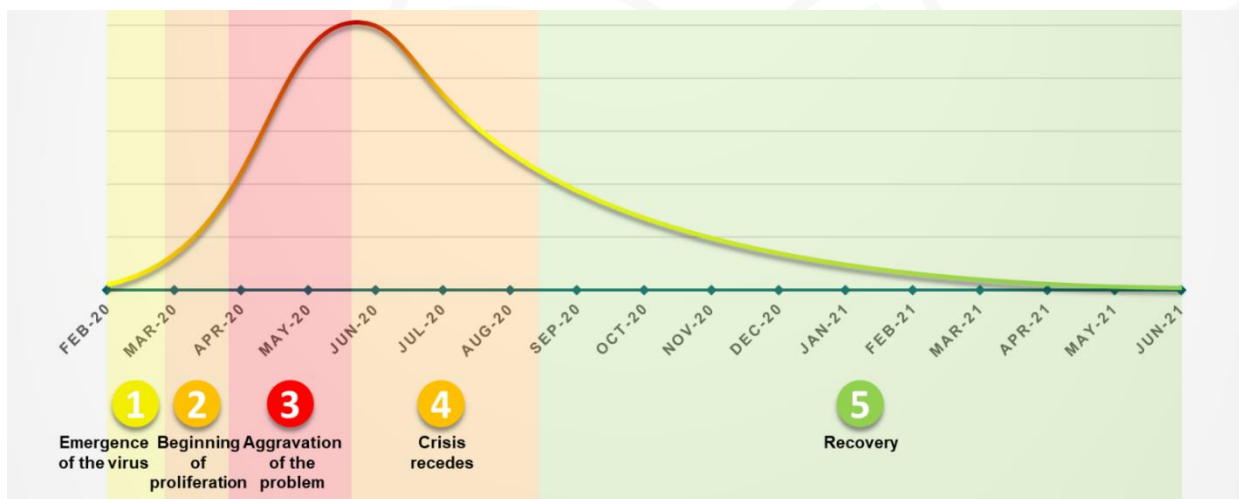
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<sup>3</sup> Source: <https://www.bbc.com/future/article/20200409-why-covid-19-is-different-for-men-and-women>

<sup>3</sup> <https://plan-international.org/emergencies/covid-19-faqs-girls-women>

**5.2. In light of what was presented above, in the next section an analysis is conducted of the impact of the Covid-19 crisis on the female labor market in Egypt according to demand and supply shocks during the stages of the crisis cycle. Figure 13 below summarizes these stages as follows:**

**Figure 13. Stages of the Crisis Cycle**



Source: The Egyptian Center for Economic Studies (ECES).

Below is a brief description of each stage:

**The first stage:** Emergence of the virus

The crisis began and aggravated in China only. The rest of the world, including Arab and European countries, were not yet affected by the crisis.

### **The second stage:** Beginning of proliferation

The spread of the virus globally. Arab countries began to be affected at the end of February and initiated precautionary measures to prevent the spread of the virus. European countries are greatly affected.

### **The third stage:** Aggravation of the problem

The situation in the world has worsened, tougher measures in Arab countries, especially Saudi Arabia, and in European countries, a major worsening of the crisis in Italy, beginning of the virus's receding in China, and beginning of its spread in the United States.

### **The fourth stage: Crisis recedes**

The beginning of recovery from the virus globally, starting from China, which is expected to be followed by European countries, and finally, Arab countries and the United States.

### **Fifth stage: Recovery**

Gradual recovery in all countries, including Arab countries, although the latter's recovery is expected to be delayed due to being strongly impacted by the global economy and its weak impact on it.



### ***5.3. The analysis of the impact of Covid-19 on female work is based on a set of concepts and assumptions:***

#### ***5.3.1. Concepts***

Demand shock: Sudden change in demand for females in existing and potential jobs.

Supply shock: Change in the ability of females to respond to the change in demand for the professional and domestic services they provide.

#### ***5.3.2. Assumptions:***

- Female employees in the government sector and the public business sector enjoy more stability in their jobs, at least in the short and medium terms, due to the nature of government work.
- The status of females in the private sector is not the best in general and may become more threatened in light of the current crisis, especially in light of the fact that many women work in informal jobs, especially in the rural areas.
- The 2008/09 global crisis revealed that the groups most vulnerable to encounter financial trouble during crises are

the self-employed and unpaid workers,<sup>3</sup> which applies to the Egyptian case.

- Egyptian women bear the additional burden of home schooling, which may further deepen the gender gap in unpaid domestic work.
- A woman's entry into the labor market or exiting therefrom depends on the distance from her home and the availability of facilities to take care of her children.
- "Women are expensive workers for employers,"<sup>4</sup> which is due to the legislative framework that provides for maternity leave, childcare and the presence of nurseries for children in the government and the public sector.
- The persistence of general obstacles facing women's work in Egypt over different time periods.
- Persistent gender gap in unpaid work.
- The demand shock varies according to the sector in which females work and the extent to which it is affected by the current crisis. For example, while demand for female

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<sup>3</sup> ILO, ILO Monitor: Covid<sup>19</sup> and the World of Work, Third Edition, Updated Estimates and Analysis, 29 April 2020.

<sup>4</sup> Source: The American University in Cairo, Social Research Center, The Impact of Economic Crisis on Women in Egypt, Based on Nassar, Heba (2009)"Impact of Economic Crisis on Women and Youth".

employment in the health sector as physical presence in the workplace increased sharply, it decreased in the service sectors as mentioned above.

- Future scenarios are related to two main factors: 1) the evolution of the virus, and the implications thereof for the resumption of schools and nurseries as a determining factor for the return of females to the labor market 2) the nature of women's participation in economic activity.

***5.4. Table 9 below presents an analysis of the impact of the crisis on females in the labor market in Egypt throughout the stages of the crisis cycle since its inception in December 2019, during the current situation, and up to expectations for the coming period until June 2021.***

**Table 9. Analysis of the stages of the crisis cycle and their implications for females in the labor market**

Stage	Demand and/or supply shock	Analysis	Impact on females in the labor market
The first stage: the emergence of the virus (December 2019- January 2020)	There are no shocks on the supply side Minor demand side shock	<ul style="list-style-type: none"> <li>• The crisis is confined to China. The virus has not yet spread to many countries around the world.</li> <li>• Factories and businesses dependent on imports from China were slightly affected.</li> <li>• Consequently, jobs or businesses for women in Egypt were not clearly affected, as the crisis was still in its infancy.</li> </ul>	<ul style="list-style-type: none"> <li>• Individual cases of layoffs by factories dependent on China<sup>4</sup></li> </ul>
The second stage: the beginning of the virus spreading	There are no shocks on the supply side Minor demand side shock	<ul style="list-style-type: none"> <li>• The crisis has reached European and Arab countries, causing the loss</li> </ul>	<ul style="list-style-type: none"> <li>• A limited increase in demand for female employment in the health sector in Egypt, while</li> </ul>

<sup>4</sup> ECES, Views on the Crisis, Egypt's labor Market, Issue #13  
[http://www.eces.org.eg/cms/NewsUploads/Pdf/2020\\_6\\_30-3\\_30\\_55%D8%B1%D8%A3%D9%8A%20%D9%81%D9%8A%20%D8%A3%D8%B2%D9%85%D8%A9%D8%B3%D9%88%D9%82%20%D8%A7%D9%84%D8%B9%D9%85%D9%84%20\(final\).pdf](http://www.eces.org.eg/cms/NewsUploads/Pdf/2020_6_30-3_30_55%D8%B1%D8%A3%D9%8A%20%D9%81%D9%8A%20%D8%A3%D8%B2%D9%85%D8%A9%D8%B3%D9%88%D9%82%20%D8%A7%D9%84%D8%B9%D9%85%D9%84%20(final).pdf)

<p>(February – mid-March 2020)</p>		<p>of more than 700,000 jobs around the world during February and March. Women account for 60% of this job loss.</p> <ul style="list-style-type: none"> <li>• The virus began to appear in Egypt</li> <li>• In the second week of March, it was announced that 70-80% of future reservations would be canceled and many tourist villages closed due to lack of occupancy.<sup>4</sup></li> <li>• Non-entry of tourism workers into the labor market again, waiting for the</li> </ul>	<p>other sectors were not significantly affected.</p> <ul style="list-style-type: none"> <li>• A negative impact on the demand for female employment in the food and accommodation service sector<sup>4</sup>, as tourism revenue for March decreased by about 75% compared to the expected figure. Consequently, the incomes in the tourism sector, including for females, were negatively affected.<sup>4</sup></li> <li>• There is no significant impact on existing and available jobs for females in other sectors.</li> </ul>
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<sup>4</sup> ECES, Views on the Crisis, the tourism Sector, issue # 3  
<http://www.eces.org.eg/PublicationsDetails>

<sup>4</sup> ECES, Views on the Crisis, Restaurants and cafes, Issue # 16  
[http://www.eces.org.eg/cms/NewsUploads/Pdf/2020\\_7\\_21-11\\_42\\_27%D8%A7%D9%84%D9%85%D8%B7%D8%A7%D8%B9%D9%85%20%D9%88%D8%A7%D9%84%D9%83%D8%A7%D9%81%D9%8A%D9%87%D8%A7%D8%AA.pdf](http://www.eces.org.eg/cms/NewsUploads/Pdf/2020_7_21-11_42_27%D8%A7%D9%84%D9%85%D8%B7%D8%A7%D8%B9%D9%85%20%D9%88%D8%A7%D9%84%D9%83%D8%A7%D9%81%D9%8A%D9%87%D8%A7%D8%AA.pdf)

<sup>4</sup> ECES, Views on the Crisis, the tourism Sector, issue # 3  
<http://www.eces.org.eg/PublicationsDetails>

		<p>recovery of the tourism sector</p> <ul style="list-style-type: none"> <li>• Egypt is still not clearly affected by the crisis.</li> </ul>	
<p>The third stage: Exacerbation of the problem (mid-March-mid-May 2020)</p>	<p>Violent shocks on both sides of demand and supply</p>	<ul style="list-style-type: none"> <li>• A number of precautionary measures have been issued, most importantly the decision to suspend schooling and close nurseries.</li> <li>• The tendency of many governmental and private institutions to allow their employees, especially women, to obtain exceptional leave or perform their duties from home via the Internet to be able to take care of their children.</li> <li>• Absence of any new tourist reservations.</li> <li>• A noticeable gradual increase in the number of</li> </ul>	<ul style="list-style-type: none"> <li>• Women have come to assume increased care responsibilities resulting from school closures, isolating the elderly, and caring for the increasing numbers of sick family members. Consequently, the ability of some females to provide their professional services decreased.</li> <li>• Higher demand for female health workers, including doctors and nurses, to face the increase in infections, as they are exposed to the dangers of infection and death.</li> <li>• Females in the government sector are not affected (in terms of keeping their jobs and the volume of demand for them), except for workers in the health sector; and their wages stayed at normal levels.</li> <li>• There was a partial decline in some jobs in</li> </ul>

		<p>infections and an attempt to control the outbreak.</p> <ul style="list-style-type: none"> <li>• The inability of the health system to absorb more cases, and many were forced to stay home in self-quarantine.</li> <li>• The halt of some manufacturing industries. For example, 50% of ready-made garment factories stopped working completely.<sup>4</sup></li> </ul>	<p>the private sector in a number of sectors, such as food and accommodation services, and retail trade, especially in the informal sector, and ready-made garments.</p> <ul style="list-style-type: none"> <li>• For example, in the furnishing and ready-made garments sector:<sup>4</sup> No less than 376,000 female workers have stopped working (given that the employment of women represents nearly 47% of total workers in the garment industry). This is not related to the stopping of factories, but also to women stopping to work with schools suspended.</li> <li>• Continuing some jobs from home, such as educational services.</li> <li>• Many small and micro enterprises, of which women hold the largest share, have been suspended.</li> </ul>
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<sup>4</sup> The Egyptian Center for Economic Studies, View on the Crisis, Industries Struggling to Survive: Ready-made Garments and Home Furnishings, Issue # 11.

<sup>4</sup> The Egyptian Center for Economic Studies, View on the Crisis, Industries Struggling to Survive: Ready-made Garments and Home Furnishings, Issue # 11.

<p>Fourth stage: the crisis recedes (Mid-May to Aug 2020)</p>	<p>Continuation of shocks on the demand and supply sides, albeit their severity decreases over time.<sup>4</sup></p>	<ul style="list-style-type: none"> <li>• Gradual easing of the curfew measures as time progresses and the number of infections decrease.</li> <li>• The continuation of some precautionary measures such as closing schools until the end of the school year with the continued reception of children in nurseries, but with a decrease in their number.</li> <li>• Gradual improvement in the ability of health institutions to deal with infections.</li> <li>• As the period progressed, industrial and</li> </ul>	<ul style="list-style-type: none"> <li>• The severity of the crisis continues with expected slowdown in various sectors.</li> <li>• A strong demand for female workers in the health sector at the beginning of the period, tending to decrease by the end of the period.</li> <li>• With the end of Eid Al Fitr in the last days of May, many women returned to work, especially in the private sector, while the government sector continued to reduce working hours and grant paid leave.</li> <li>• The return of many workers from the Gulf after their layoff, thus increasing labor supply and negatively affecting women's jobs.</li> <li>• The repercussions of the previous period continued, with the emergence of signs of recovery of various sectors from the supply and demand shocks.</li> </ul>
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<sup>4</sup> This situation exists until the date of the report's issuance on 8/12/2020, although there are indications of a resurgence in the number of infections during the period after this date, albeit the severity of the increase in infections is still unknown.



		commercial activities moved towards their normal rates of operation.	
Stage five: Recovery (starting from September 2020-June 2021)	<b>Five possible scenarios according to two factors: 1) The evolution of the virus and its implications for the extent to which schools and nurseries would return to their activities 2) The nature of women's participation in economic activity</b>		
	<b>1. An optimistic-optimistic scenario</b>	<p><b>Optimistic:</b> the disappearance of the virus or the emergence of a vaccine, and the resumption of schools and nurseries at full capacity.</p> <p><b>Optimistic:</b> Females will return to the job market with greater participation rates</p>	<ul style="list-style-type: none"> <li>• Despite the threat that the current crisis poses to employment in general, especially female employment, it could bring about some welcome transformations that could reduce gender inequality in the labor market in the long run regarding two main aspects: <ul style="list-style-type: none"> <li>✓ The first is the equal division of labor in the home, where a large part of gender inequality in the labor market is linked to an unequal division of housework (cooking, cleaning, etc.). Long-term progress towards greater gender equality is likely to follow.</li> </ul> </li> </ul>

			<ul style="list-style-type: none"> <li>✓ The second is the availing of remote work for employees and flexibility of working hours, as many companies are now more aware of the childcare needs of their employees, which will benefit females as it will allow them to achieve their future career without prejudice to their family responsibilities.</li> </ul>
	<p><b>2. Optimistic-moderate scenario</b></p>	<p><b>Optimistic:</b> the disappearance of the virus or the emergence of a vaccine, and the resumption of schools and nurseries at full capacity.  <b>Moderate:</b> Females return to work like prior to the crisis.</p>	<ul style="list-style-type: none"> <li>• The return of female employment to pre-crisis rates through the State taking some simple and urgent measures (which will be mentioned in the next section of the report) to maintain the status of females in the labor market and ensure they retain their jobs</li> </ul>
	<p><b>3. Optimistic-pessimistic scenario</b></p>	<p><b>Optimistic:</b> the disappearance of the virus or the emergence of a vaccine, and the resumption of schools and</p>	<ul style="list-style-type: none"> <li>• Females do not return at rates similar to previous ones, due to a number of developments in the labor market revealed by the crisis: <ul style="list-style-type: none"> <li>✓ Awareness of labor excess in some sectors,</li> </ul> </li> </ul>

		<p>nurseries at full capacity.</p> <p><b>Pessimistic:</b> Females do not return to work in its pre-crisis form .</p>	<p>and consequently the layoff of excess workers, often women.</p> <p>✓ Increased supply of labor, especially after the return of a number of workers from the Gulf following their layoff.</p>
	<p><b>4. Pessimistic-Intermediate scenario</b></p>	<p><b>Pessimistic:</b> the emergence of a second wave of the virus, without finding a vaccine, and schools and nurseries are suspended.</p> <p><b>Intermediate:</b> Female participation continues at its crisis rate.</p>	<ul style="list-style-type: none"> <li>• The situation remains as is in terms of the stay of a large proportion of women at home to take care of their families while continuing to work via the Internet or go to the workplace on certain days only.</li> </ul>
	<p><b>5. Pessimistic-pessimistic scenario</b></p>	<p><b>Pessimistic:</b> the emergence of a second wave of the virus, without finding a vaccine, and schools and nurseries are suspended</p> <p><b>Pessimistic:</b> an unprecedented drastic drop in female participation in the labor market.</p>	<ul style="list-style-type: none"> <li>• Significant risks such as conditions pushing many women to leave their jobs, especially those that cannot be performed remotely, with potential long-term negative effects on the size of female participation in the workforce, and thus a large segment of females resorting to jobs that are more exploitative and less stable to earn a living.</li> </ul>

*Source:* The Egyptian Center for Economic Studies (ECES).

**We draw from the previous table a number of conclusions for the next phase, which begins next September:**

**1. The recovery phase is characterized by a large degree of uncertainty about the evolution of the virus, which makes it dependent on three criteria:**

- Developments of the virus.
- The urgent economic policies and measures that are being taken that affect the ability of the economy to recover and increase female employment
- The institutional reforms that the State undertakes that affect women's employment

**2. According to the previous criteria, the future of female employment in Egypt will be determined in terms of three possible outcomes:**

- Return to normal levels of female employment before the outbreak of the crisis (already below the desired rates) if appropriate urgent interventions are taken (will be indicated in the next section).
- The deterioration of the conditions of women, so that their participation in the labor market is lower than pre-crisis rates,

occurred because of the changes that transpired in the labor market as a result of the negative repercussions of the current crisis. For example, the preference of many females not to join the medical field with multiple infections and deaths among the medical staff, the layoff of workers in a number of sectors that are mostly women, and the increase in the supply of labor, especially after the return of a number of workers from the Gulf following their layoff, which may threaten job opportunities for females, in addition to not taking the appropriate policies and measures.

- **An improvement in the economic and social conditions of women in the medium and long terms if the necessary institutional reform is undertaken**, which the State has already initiated many years ago, although more efforts are needed to have a greater and faster impact on the position of women in the labor market (its key elements will be noted in the next section).

### **Sixth: The required interventions to mitigate the effects of the crisis**

As a result of the fact that women are the most affected by this pandemic, they will also be the backbone of recovery. Every action taken that recognizes this fact will be more effective. Therefore,

measures must be put in place immediately to help the rapid overcoming of the negative economic repercussions of this pandemic.

The government announced a number of appropriate decisions and measures,<sup>4</sup> which are in the interest of Egyptian women and could provide them with the necessary support. However, the details and mechanisms for implementing some of these decisions are not clear enough, and we suggest taking the following measures urgently:

- **Evaluating all relevant measures taken by the State** to determine the extent of its effectiveness in achieving objectives, fixing their deficiencies and maximizing the benefits of their results, to help later inform crisis response plans in the event of a recurrence of the crisis or the occurrence of other similar crises.
- **Compiling all gender-related statistics and data and analyzing them** to study how women in all activities are affected by the Covid-19 crisis, and the announcement thereof on a weekly basis with transparency. The objective is to develop and implement other effective policy measures as proper policies are based on information.

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<sup>4</sup> A list of these actions is<sup>8</sup>attached at the end of this report.

- **Monitor and follow up on all relevant economic and social policies, measures and plans** issued and the impact on Egyptian women in light of the efforts made to limit the spread of the corona virus.
- **Supporting women across the value chain** by ensuring that suppliers who are highly dependent on female labor receive payments for current requests, and provide them with additional support to obtain credit, loans, and grants so that they can maintain their activities and thus keep workers in their jobs.
- **Providing flexible working conditions**, especially in the private sector, which take into account the family responsibilities of female workers through, for example, part-time work or work from home with flexible hours to give women the option to combine and balance their work and their family roles.
- **Providing subsidies to institutions with a large representation of females or to female-owned businesses** that give female workers paid leave (in Japan, the Ministry of Health, Labor and Social Welfare announced support for companies that put in place paid leave systems for workers affected by school closures in exchange for continued payment of salaries to workers on leave).

- **Review and follow-up of the extent to which females benefit from the recent decisions of the Central Bank** within the framework of the exceptional measures taken to limit the negative repercussions of the corona virus, and the extent of gender differences in benefiting from such decisions.
- **Using the branches of the National Council for Women, the Ministry of Social Solidarity, the National Bank of Egypt and post offices** to identify the difficulties that females face when setting up and operating their projects, especially during the pandemic, and to take the appropriate and necessary policies to address the deficiencies.

### **Seventh: Institutional weaknesses revealed by the crisis and proposals to overcome them**

The crisis revealed a number of institutional imbalances that existed for many decades with regard to the economic and social status of females in Egypt, which require remedial action. This will have a great impact on the promotion of the role of women in Egypt in general, not only during the current crisis, and will help make women a major engine of recovery and growth for the economy. In Table 10



below, we present a number of proposals to eliminate the existing institutional weaknesses.

**Table 10. Institutional weaknesses revealed by the crisis and proposals to overcome them**

Weaknesses	Recommendations
Lack of a database and information on the size and type of demand for female labor	<ul style="list-style-type: none"> <li>• Setting detailed investment maps from which investment opportunities will emerge, including available job opportunities, their requirements, and the appropriate ones for females.</li> </ul>
The multiplicity of social and cultural obstacles, lack of awareness of legal rights, and the bias of some of them not in favor of female’s labor market.	<ul style="list-style-type: none"> <li>• Launching awareness campaigns, targeting rural and border areas in particular.<sup>4</sup></li> <li>• Addressing the social and cultural barriers and attitudes that restrict the potential of women in entrepreneurship, and the need to address stereotypes on many levels: within families, local communities, the education system and the business environment.</li> <li>• Increasing public and private sector awareness of their social responsibility, and the provision of social services in support of women's work at an acceptable cost and high quality, such as nurseries for children, taking into account geographical distribution and material capacity.</li> <li>• To correct concepts of women's legal rights, spread awareness of the methods of claiming rights, and provide legal advisory services on a balanced geographical scope and for an appropriate fee.</li> </ul>

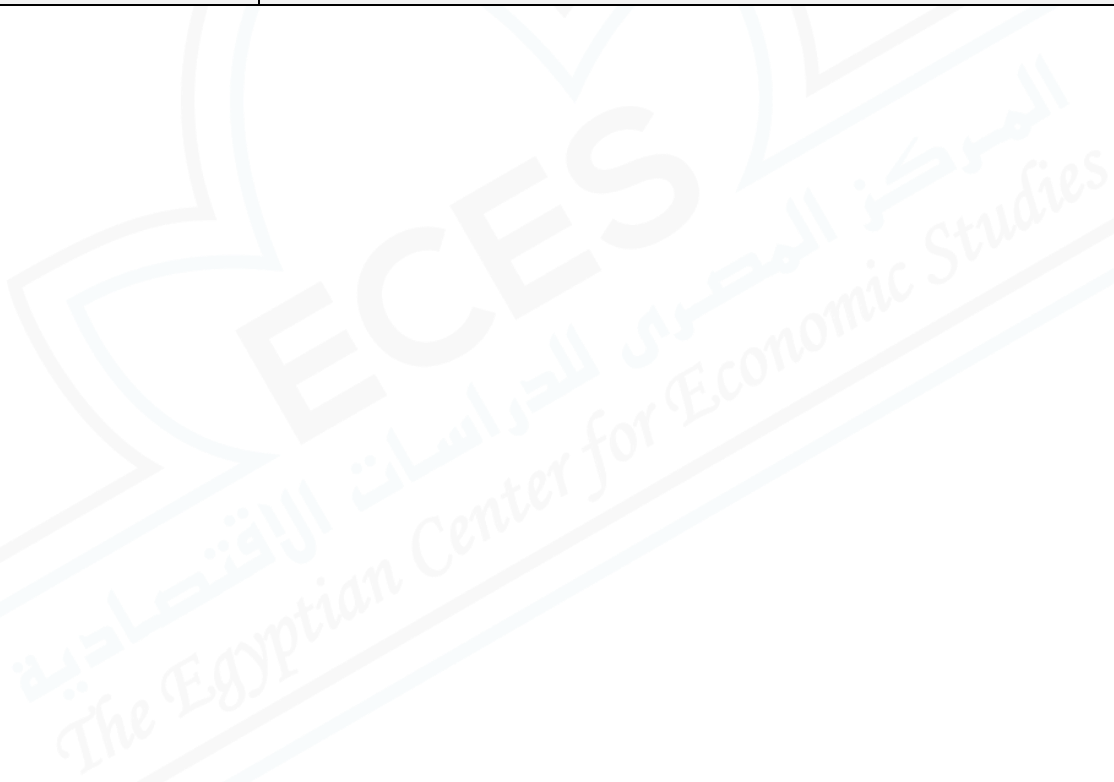
<sup>4</sup> Sumaya Ahmed Ali Abdel Mawla, Promoting Education as a Tool for Women's Economic Empowerment, Policy Paper (2), Social Research Center, American University in Cairo.

<p>The gap between educational outcomes and labor market needs</p>	<ul style="list-style-type: none"> <li>• Adjusting the education system in general so that its output meets the needs of the labor market, which will enable the desirable benefit from both genders, contribute in a more positive way to female employment, and achieve the optimal utilization of many idle female capacities.</li> <li>• The development of various technical secondary education specializations, especially the most enrolled in by females - for example - secondary nursing and commercial secondary.</li> <li>• Providing appropriate training programs for females in all regions of the country as a quick fix until the education system is reformed.</li> </ul>
<p>Incomplete implementation of programs and initiatives provided by donors to empower women.</p>	<ul style="list-style-type: none"> <li>• Coordination and review of these programs to ensure follow-up with women beneficiaries, taking into account both geographical distribution and the content of other initiatives.</li> </ul>
<p>Weakness of a number of basic dimensions of empowerment, on top of which are geographical justice, age groups, and different family circumstances.</p>	<ul style="list-style-type: none"> <li>• Restructuring the labor market in order to be able to take into account the different conditions of females, including variation in the nature of responsibilities and needs, to avoid bias in favor of one group against another.</li> <li>• Increase empowerment of all institutions related to women, especially the Ministry of Social Solidarity and the National Council for Women.</li> </ul>
<p>Lack of differentiation between the problems facing small, medium and micro enterprises that are not related</p>	<ul style="list-style-type: none"> <li>• Paying attention to the economic empowerment of women through the small and medium enterprises sector, which is one of the main sectors that provide decent and productive work opportunities for women in various Egyptian regions and governorates.</li> </ul>

<p>to gender, and the problems faced by females specifically, the most important of which is the lack of information.</p>	<ul style="list-style-type: none"> <li>• Conducting field research with the aim of identifying all problems that hinder women's economic empowerment.</li> <li>• Focusing on qualifying females for the labor market through programs prepared by the Ministry of Social Solidarity and implemented by the National Council for Women and the private sector.</li> <li>• Circulating the "Egyptian Women Entrepreneurship Guide"<sup>5</sup> prepared by the <sup>0</sup> Egyptian Center for Economic Studies in cooperation with the National Council for Women in 2018, and is considered a complete reference for any woman wishing to start a private project or expand an existing one.</li> </ul>
<p>Weak incentives for female self-employment</p>	<ul style="list-style-type: none"> <li>• Establishing gender focal points in business associations and similar organizations with the aim of developing an open platform for microfinance to foster financial inclusion and credit programs designed alongside business development services for women entrepreneurs.</li> <li>• Ensure that enterprise support targets small, medium and micro enterprises owned by women.</li> <li>• Systematically address credit restrictions that hinder women in their attempts to start and grow businesses. These restrictions range from limited financial literacy and gender norms that give husbands control over financial resources and assets to a lack of financial resources that meet women's needs.</li> </ul>

<sup>5</sup> The Guide can be viewed on the ECES website at the following link:  
<http://www.eces.org.eg/PublicationsDetails?Lang=AR&C=13&T=1&ID=787&%D8%AF%D9%84%D9%8A%D9%84-%D8%A7%D9%84%D9%85%D8%B1%D8%A3%D8%A9-%D8%A7%D9%84%D9%85%D8%B5%D8%B1%D9%8A%D8%A9-%D9%84%D8%B1%D9%8A%D8%A7%D8%AF%D8%A9-%D8%A7%D9%84%D8%A3%D8%B9%D9%85%D8%A7%D9%84>

	<ul style="list-style-type: none"> <li>• Providing training programs and courses for females in various professional fields and throughout the country, so that women entrepreneurs gain the ability to plan well financially and then be able to establish and expand the project.</li> </ul>
<p>Distortions in the labor market, including gender wage differences</p>	<ul style="list-style-type: none"> <li>• Enforcing the articles of the constitution and the legal articles that stipulate equality between males and females.</li> <li>• Amending laws to allow family care privileges for both the mother and the father, not just the mother.</li> </ul>



## Annex 1

**The most important official decisions issued to reduce the negative repercussions of the outbreak of the Coronavirus, which are directly and indirectly related to the socio-economic situation of women in Egypt**

<b>Resolution</b>	<b>Content</b>
Suspension of studies in universities and schools	The President of the Republic issued a decision to suspend studies in universities and schools for a period of two weeks on March 14 of this year, and the suspension was extended after that for other periods.
Suspending nurseries	The Ministry of Social Solidarity issued a decision to suspend nurseries during the peak of the outbreak, in order to protect children, making mothers reassured of the safety of their children
Reducing the presence of workers in government agencies	Reducing the number of male and female workers in government departments and agencies as part of the precautionary measures taken by the State to prevent the spread of the virus.
	Granting an employee who is pregnant or caring for a child or more under the age of twelve years an exceptional leave for the duration of this resolution.
	Granting leave for a female worker who takes care of a child with special needs, according to a circular letter.
Dispensing medicines for chronic diseases, infant formulae and	The Ministry of Health and Population announced that it has taken measures regarding the dispensing of medicines for chronic diseases, infant formulae and family

family planning methods	planning methods for a period of 3 months “to facilitate access to reproductive health services needed for women.”
Protection of elderly women and women with disabilities who live in care homes	On March 19, the Ministry of Social Solidarity announced the intensification of precautionary measures for children of care homes and the provision of all health precautions and awareness leaflets, including in education places, penal institutions, orphanages, elderly homes, social defense institutions, homes for people with disabilities, and women's hosting centers. This is in order to protect elderly women and women with disabilities who live in care homes and to prepare for any possible case of violence against women in hosting centers.
Social protection, especially for breadwinning women	The Ministry of Social Solidarity announced an increase in the numbers benefiting from conditional cash transfers within the Takaful and Karama program to 100,000 families.
Increase the monthly income of rural women leaders	The Ministry of Social Solidarity announced an increase in the monthly income of rural women leaders from EGP 350 to EGP 900 per month.
Protect the elderly woman	The Ministry of Social Solidarity announced the inclusion of women aged 65 and above who are without care in homes for the elderly under the umbrella of social protection.
Economic opportunities for women's loans	The Ministry of Social Solidarity announced an increase in the number of beneficiaries from soft and low interest loans to start micro-enterprises to improve the standard of living of the family, thus providing economic opportunities to women who need micro-loans
Economic support for women in informal employment	The Ministry of Manpower announced steps to register irregular workers on the ministry's website to obtain an exceptional grant of EGP

	500, within the framework of the State's plan to protect this group affected by the corona virus, which enables providing economic support to women in irregular employment.
Emergency Benefits Fund for Affected Workers	On March 26, the Prime Minister issued Decree No. 776 of 2020 to establish the Emergency Relief Fund for Workers and to form a committee for workers affected by the economic repercussions of the Corona virus, which includes the National Council for Women
Economic opportunities for women in micro-borrowing	The Financial Supervisory Authority issued a bundle of decisions regarding the microfinance activity related to the interests of 3.1 million male and female citizens, the most important of which are: - Reducing or deferring installments owed by customers, equivalent to 50% of the value of each installment for microfinance clients - Exempting regular microfinance clients from the accelerated payment commission of clients' outstanding debts or reducing administrative costs to roll over existing funds.
EGP 500 per month for irregular workers	On April 6, the President directed the allocation of a grant for irregular workers affected by the repercussions of the Corona crisis, amounting to EGP 500 per month for a period of 3 months
The decision of the Minister of Justice excluding some cases related to the family from the suspension decision.	The Minister of Justice issued a decision to continue to postpone hearing of all cases pending before the courts of first instance, with the exception of hearing cases related to temporary alimony for the wife and the child and its implementation, and hearing lawsuits related to guardianship over money. Also, the implementation of decisions of the Public Prosecution and the judgments issued to

surrender the young, and the decisions of the Public Prosecution and the rulings issued regarding enabling the guardian to keep the residence, as of May 3.

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