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Gender-related impacts of COVID-19 in African LDCs

Abstract

This paper examined the gender related effects of COVID-19 on African LDCs. The trends shows that unemployment in African LDCs almost doubled from 6.97 per cent in 2019 to 11.55 per cent in 2020. Women are disproportionately affected due to their overrepresentation in informal employment across sectors. The negative impacts are compounded by existing gender inequalities within the labour market and lack of social security support. Limited fiscal space of the LDCs as most of them are not able to extend the required support to most vulnerable individuals and businesses in the informal economy, of which more than 50 per cent are owned by women, dims the odds of their recovery post-COVID-19. Mitigating job and income losses through redistribution mechanisms or social protection policies that enhance equality remains the most viable policy option in the short run to enhance recovery. In the long term, increased gender parity, strengthening social welfare systems whilst ensuring financial inclusion of the informal sector and closing the digital divide between gender and income groups will go a long way in enhancing recovery and build economic resilience to future pandemics.

Key words: Covid-19, African LDCs, gender

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Introduction

As countries continue to enhance measures for containing the further spread of COVID-19, the economic fallout continues to have differential impacts on men and women. While this impact is not homogenous across countries and regions, for most countries, the salient factors determining the nature and depth of these gendered impacts mainly lie with the labour market due to its direct impact on incomes and livelihoods. Women's vulnerabilities to COVID-19 heavily rest on existing gender inequalities across social and economic spaces, which have resulted in low and stagnant female labour participation rates and over-representation of women in sectors that were more vulnerable to COVID-19. Madgavkar et al., (2020) estimate that women's jobs are 1.8 times more vulnerable to COVID-19 related impacts than men's jobs mainly due to existing gender inequalities. Whilst equally pinning increased vulnerability of women's jobs to COVID-19 on existing gender inequalities, Alon et al. (2020) further contends that women's jobs were disproportionately affected due to their overrepresentation in sectors that were more vulnerable to COVID-19, such as restaurants and hospitality livelihoods in the service sector. These findings are further compounded by persistent informality in African LDCs, which accounts for more than 90 per cent of women's jobs on average (figure 2).

Gondwe (2020) and UNCTAD (2021) suggest that the partial or full lockdown measures that most governments imposed to contain the spread of the virus had a big impact on the most vulnerable groups in Africa, whose incomes and livelihoods are contingent on informal employment. While government social welfare systems are functional in most countries in Europe, Asia and America¹, the social welfare systems in African least developed countries (LDCs) are too weak or non-existent to effectively support the economic fall out of the most vulnerable businesses and livelihoods. Informal employment remains the most vulnerable to COVID-19 related impacts, as it is not subjected to labour legislation or income tax, and it is not appended to any social protection and employment benefits (OECD and ILO, 2019). In Africa, the informal sector is generally characterised by low incomes with a large proportion of daily wage earners, and poor working conditions, which further increases the vulnerability of the workers to the social and economic shocks of COVID-19 (Daniel et al., 2020). Although informal employment is a source of income for 63 per cent of men and 58 per cent of women at the global level, it is a source of income for 93.9 per cent of the female workforce in African LDCs and 87.8 per cent of the male (ILO, 2018), suggesting increased vulnerability to the impacts of COVID-19 for more women than men in the region, which is further compounded by existing gender inequalities. Arbache et al. (2010) highlight the multidimensionality of gender disparities in the African labour market, concluding that the size and governance of labour markets is the key determinant of gaps between gender. Limited job creation forces individuals with higher human capital to acquire more employment in formal sectors, thereby widening income gaps. Egas (2021)² shows that 92.3 per cent of the non-agricultural informal work is done by women predominantly with low education. Similarly, in Madagascar, education is found to have a strong positive correlation with the probability of paid employment, although self-employment is preferred in the informal sector (Nordman et al., 2010).

Against this backdrop, this paper assesses the gender-related impacts of COVID-19 in African LDCs, focusing on the informal sector to expose the structural issues that demand consideration. Due to its role in supporting incomes and livelihoods of the most vulnerable to COVID-19 social and economic impacts, the informal sector is crucial to understanding the depth of short-term gender-related impacts, and the consequent path of mitigating negative economic impacts that undermine progress towards the Sustainable Development Goals (SDGs). Through its negative impact on incomes, livelihoods and economic growth, the pandemic has reduced prospects of LDC graduation and the 2030 SDG Agenda progress for many countries. The paper relies on the analysis of trends to explain the underlying patterns of key variables to analyse the diversity of impacts from the pandemic, and effectively inform policy in enhancing recovery and building strong economies post COVID-19.

¹ America in this paper is as classified by the *European Centre for Disease Prevention and Control*

² Egas D (2021). The gendered impacts of COVID-19 in Mozambique: Challenges and way forward, International Growth Centre, available at: <https://www.theigc.org/blog/the-gendered-impacts-of-covid-19-in-mozambique-challenges-and-way-forward/>

1. General impacts of COVID-19 in Africa

With 8, 468, 345 confirmed cases (ECDC stats, October 2021)³, the African continent is still on its recovery path after being hit by the coronavirus pandemic that has taken the lives of thousands. In particular, COVID-19 has threatened the growth of many African LDCs by exacerbating existing gender inequalities and vulnerabilities within country ecosystems. Although the continent reported fewer deaths (216,840) compared to Asia (1,072,213), the Americas (2,282,980) and Europe (1,379,920)⁴, the effect of the pandemic is not homogenous across countries and sex. For instance, in April 2020, Sudan and Mauritania had higher death rates compared to the Organisation for Economic Co-operation and Development's (OECD) countries, reporting deaths at 15.63 per cent and 14.29 per cent, respectively (Bhattacharya and Islam, 2020).

Women in particular have been disproportionately affected by the pandemic, which has exacerbated existing vulnerabilities and gender disparities in key sectors. Border closures and social distancing measures have exposed gender-related risks of economic shocks, as they adversely affect economic activities and incomes. Anecdotal and statistical evidence suggests that the pandemic has halted years of gender equality progress, increased female poverty and forced women to bear the socio-economic burden of the pandemic through gender-based violence, unpaid care work and job insecurity, among others. This section discusses COVID-19 impacts on the health and education sectors, highlighting the factors that increased the vulnerability of women to the pandemic across these sectors. Lastly, with foreign trade linkages as the main channel for COVID-19 economic impacts in African LDCs, the section will also discuss the extent to which restrictive COVID-19 movement measures affected informal cross border trade, particularly as it pertains to the relative vulnerability of women's incomes and livelihoods.

1.1 The impact of COVID-19 on the health sector in African LDCs

The pandemic directly hit health systems in many African LDCs, exposing their limited capacity to combat such a crisis. Health systems were proved weak, as equipment, workforce capacity and data management were inadequate, largely due to the low levels of existing investment in the sector. For example, Angola and Sao Tome and Principe have 0.8 and 2.9 hospital beds, respectively, per 1,000 people (WTO and EIF, 2020). Ethiopia has 557 ventilators, which translates to 194,099 people per 1 ventilator. The ventilator density is even lower for other countries that have less than 10 ventilators, such as the Democratic Republic of the Congo, Mali, and Madagascar, where 1 ventilator serves about 20 million, 6.5 million and 4.5 million people, respectively.⁵ Similarly, most African LDCs have very few functional intensive care units (ICUs), which is another critical element for effectively fighting the pandemic.

However, cognisant of the fragility of these weak health systems in coping with significant increases in the demand for hospitalized care, most African LDCs quickly leveraged local innovations and resilience gained from previous pandemics to contain the spread of the virus and manage its related health impacts. Coupled with generally low infection rates, the direct health impact from the pandemic in most African LDCs was mild, compared to other African countries (figure 1). Overall, Africa accounted for only about 4 per cent of the global cases⁶, which were unevenly spread across the continent, and largely skewed towards South Africa (2,919.6 cases per 1,000 population) and a few other countries in the north (Egypt, Libya, Morocco and Tunisia), with cases ranging from 324.6 to 944.3 per 1,000 population (figure 1). Although Ethiopia is one of the few countries in the LDCs group that had a high number of cases (362) and deaths (6.4 per 1,000 population), figure 1 shows that most African LDCs recorded less than 40 cases and 2 or fewer deaths per 1,000 population, while more than 14 deaths per 1,000 population were recorded in some of the non-African LDCs, including South Africa (88.9), Tunisia (25.1), Egypt (18.3) and Morocco (14.6).

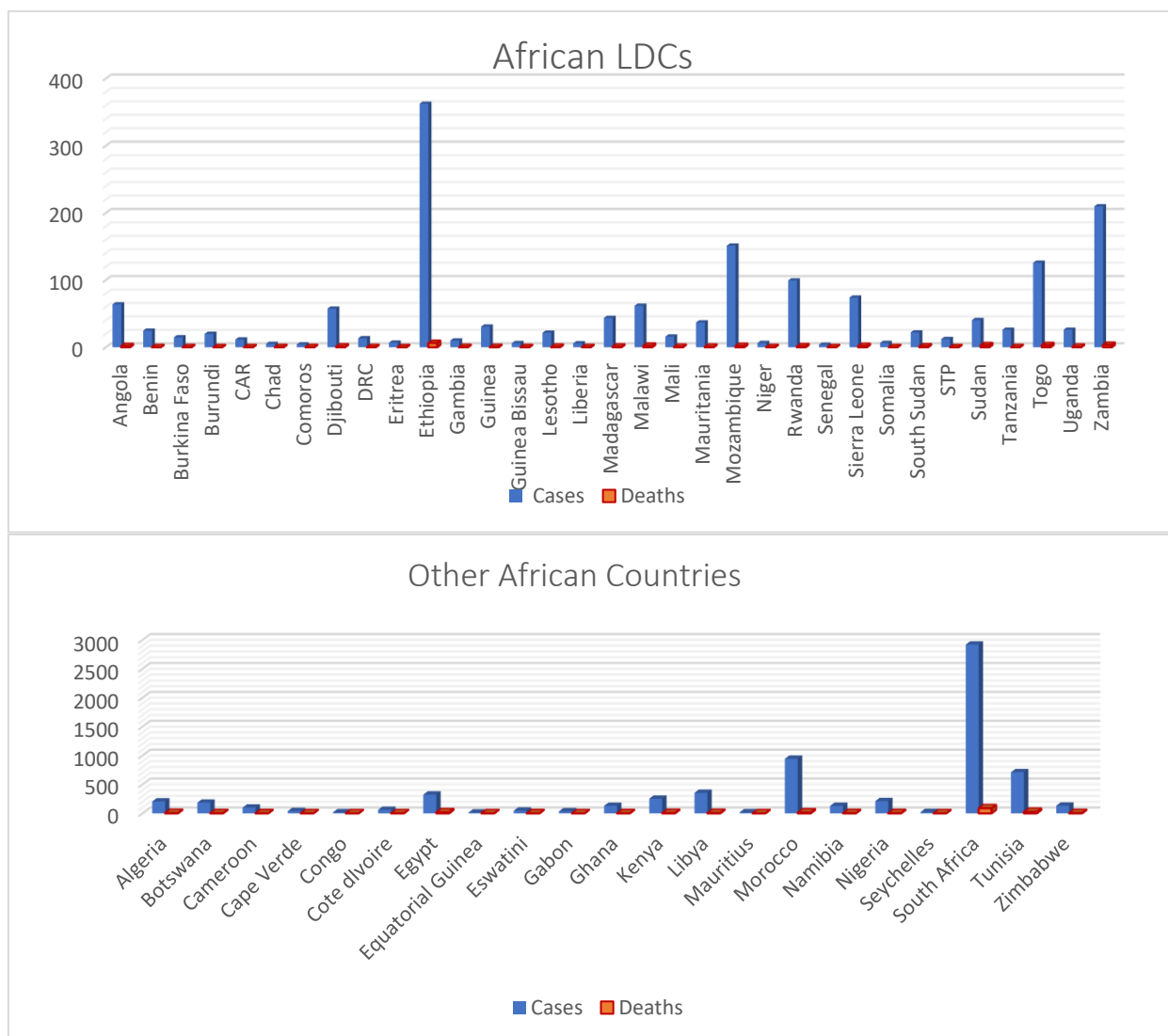
³ European Centre for Disease Prevention and Control (2021). COVID-19 situation update worldwide, as of week 42(updated 28 October).

⁴ Ibid.

⁵ Mo Ibrahim Foundation (2021). *2021 Forum Report: COVID-19 in Africa. One Year On: Impacts and Prospects*. Available at: [2021-forum-report.pdf](#)

⁶ Authors' calculations, based on ECDC stats (October, 2021)

Figure 1: Covid-19 cases and deaths per 1,000 population in Africa (as of 28th October 2021)



Source: ECDC COVID-19 data

Notes: Observe the difference in scale of the embedded charts; Sao Tome and Principe (STP), Central African Republic (CAR) and Democratic Republic of Congo (DRC)

The state of gender for the continent's health sector stands at 57 per cent of the workforce being women, of which only 28 per cent are doctors, revealing the extent of gender inequality at senior medical levels⁷. While this is lower than the global average of 40 per cent of female physicians, some African LDCs, such as Benin, Mozambique, Niger and Senegal, have maintained or are close to equal ratios of male to female doctors. Hay et al. (2019) found a significant correlation between gender norms and health systems, in that health systems reflect gender roles that underline gender inequalities in the health sector. They call for gender-focused policies and systematic evaluation of restrictive gender norms, beyond the pursuit of gender parity. For example, both Mozambique's Strategy for Gender Inclusion in the Health Sector 2018-2023⁸ and Senegal's 2015 Plan to Institutionalize Gender in the MSAS and Reinforce Gender Integration Capacity⁹ address issues hindering female healthcare workers, such as discrimination, being primary caretakers and gender norms prohibiting equal access to healthcare.

⁷International Women's Day 2021: Introduction | WHO | Regional Office for Africa .

⁸ UNDP Mozambique (2018). Strategy to provide gender sensitive health care (1 December).

⁹ Newman C (2018). "Senegal's New Roadmap for a Gender Transformative Human ResourceManagement Policy", IntraHealth International.

The United Nations Development Programme's (UNDP) analysis of socio-economic impacts of COVID-19 used the International Futures (IFs)¹⁰ tool as an integrated assessment modelling platform to model the effects of the pandemic in 10 African countries¹¹, 5 of which were LDCs (UND, 2021). Their results showed that government expenditure on health is a key determinant of the health sector's ability to mitigate shocks. In particular, countries with health investments below 2 per cent of the gross domestic product (GDP) experienced high levels of indirect mortality ratios following the direct effects of the pandemic. Currently, most governments have increased expenditures in health and public services as cases continue to rise. However, unequal resource allocations have shadowed other diseases affecting African LDCs, such as HIV/AIDS, tuberculosis and malaria, which are still the leading causes of death.

Additionally, the vulnerability of women residing in remote and rural areas has been amplified due to the shock in health provision services, on the backdrop of weak health systems, that have forced resources away from maternal care services. Limited access and use of maternal and newborn health (MNH) services have negative effects on women's health. The World Health Organization (WHO) estimates that a 10 per cent decrease in MNH service provisions could increase the number of maternal and newborn deaths by 28,000 and 168,000, respectively. Interruptions in family planning services, exacerbated by COVID-19 related school closures, led to a rise in teenage and unintended pregnancies by as much as 50 per cent in some African LDCs. For instance, while Malawi recorded a 35 per cent increase in teenage pregnancies for the first half of 2020 (Davies, 2020), teen pregnancies per month doubled in Uganda's Nwoya district between April and June 2020 (Edwards, 2020). Anecdotal evidence of a surge in job and income losses during the lockdowns propelled many into poverty, which among other things, resulted in a surge in child marriages.¹²

The vulnerability of women in the region is generally compounded by the dual role they play as workers (both formal and informal work) and primary caretakers. The higher the need for childcare, the lower the "ability" to work, as conditions of work during the crisis are not protective of women who are in "critical occupations", such as healthcare workers or for those who have to telecommute. Bhattacharya and Islam (2020) show that the human health and social work sectors have a high share of female employment – approximately 70 per cent – suggesting that their exposure to economic shocks leading to income losses is higher than that of men. Overall, the COVID-19 pandemic has altered the state of the health sector. Many African countries report positive efforts to better health infrastructure, policy and coverage, as reinforcement of health systems have become a development priority. A study from the University of Nigeria recommends that the provision of peer-review mechanisms to ensure a coherent increase in health financing across Africa and that gains from stronger health systems are attained (Uwaezuoke, 2020). Such gains include universal health coverage, health worker capacity building, and hygiene. Also, it can be argued that a segment of health is a "new winner" of the pandemic – domestic manufacturing. Increased production of sanitisers, masks and other preventative products is commendable.

The impact of COVID-19 on the education sector in African LDCs

Whilst COVID-19 has challenged the health sector, education is another sector that experienced high impact and slow recovery from the pandemic. The education sector also employs more women than men, making women more vulnerable to measures imposed to mitigate the pandemic (Bhattacharya and Islam, 2020). COVID-19 containment and social distancing measures, compounded by existing gender stereotypes in the sector, disproportionately affected women's jobs and livelihoods. For example, in most African LDCs, for women that are both primary childcare givers and employed/self-employed, childcare facilities and school closures meant double shifts, as children were home full-time, needing support on their schoolwork. It is important to note that this is not an isolated case for African LDCs women, as they tend to be overrepresented in sectors with stability, such as education and healthcare, and mostly cover the majority of low or unpaid care labour.

¹⁰ The IFs tool is an integrated modelling platform covering 12 core systems (agriculture, demographics, economics, education, energy, environment, government finance, governance, health, infrastructure, international politics and technology) which facilitates forecasting for 186 countries (with flexible country groupings) through the SDG horizon of 2030 and 2100. The IFs modelling is backed by 3,500 historical data series from a very wide range of data sources.

¹¹ Angola, Cabo Verde, Chad, Democratic Republic of the Congo, Ethiopia, Kenya, Mali, Mauritius, Nigeria and South Africa.

¹² Welle D (2021). Africa: COVID lockdowns blamed for increase in teenage pregnancies. *The Indian Express*.

A total of 53 African countries closed their educational institutions by April 2020,¹³ highlighting the extent of decreased access to education for many children, especially those in rural areas where online learning was largely unfeasible. While short-term temporal closures were initially envisaged across the continent, the reality of successive waves of the pandemic forced several African countries to reclose after full or partial reopening. As such, most schools in Africa were closed for 3 to 6 months on average from March 2020 (Daniel et al., 2020; ADEA et al., 2021; and UNICEF, 2021). The World Bank estimates that Africa's human capital growth will be negative, as 2.6 million African girls are not expected to return to school¹⁴. The lack of remote learning facilities negatively impacted the sector by exposing the depth of socio-economic inequality across communities. Compounded with gendered stereotypes, research shows that girls were disproportionately affected.¹⁵

Perhaps the largest risk of lockdowns for women and girls is gender-based violence, child marriages and unintended pregnancies, as schools are “safe havens” against violence and household poverty. Anecdotal evidence from non-governmental and civil society organisations across the continent suggests that school closures have forced young girls to become income earners at home, reducing their chances of returning to school. Gender and cultural norms have not only limited access to education and increased the burden on women as they take on domestic activities but are also expected to reverse parity gains in educational attainment across genders. Nonetheless, COVID-19 has availed an opportunity for policy reform in the education sector, which had previously suffered from packed curriculums, unequipped teachers and affordability¹⁶. Notwithstanding affordability as a key source of digital technology exclusion across gender, lack of information and communications technology (ICT) skills¹⁷ and inherent biases in socio-cultural norms further limits the capacity of women and girls to meaningfully access and utilise digital technologies. Moreover, parental concerns about online safety and unwarranted exposure to content that is against their norms further limits online access and skill development for more girls than boys in most African LDCs. Underscoring these concerns, an online survey by Plan International shows that 59 per cent of girls were abused or harassed online during the COVID-19 lockdown.¹⁸ Overall, research by UN Women highlights a 17 per cent global internet user gap, with fewer women than men having meaningful access, ownership and use of digital technologies.¹⁹ However, opportunities for improvements in education through digital technologies have been unveiled. A survey of 1,600 educators and technology professionals in Africa (by eLearning and the EdTech Hub) has revealed that they are optimistic about reform and innovation opportunities from COVID-19²⁰. The use of technology in education is seen as a key supporting mechanism for the sector. Nonetheless, growing digital divides and inhibiting inclusive access to technology are likely to slow down such innovation, as is the provision of tools and financial support to pursue such innovation.

1.2 Impact of COVID-19 on the education sector in African LDCs

While COVID-19 had a direct impact on health systems and public expenditures, the economic impact was mainly a consequence of the measures imposed to control its spread. In particular, the restrictive movement measures adversely affected trade and trade logistics, both from the supply and demand sides, following a general decline in economic activities across the globe. On the supply side, border closures and in-country lockdowns slowed down production and disrupted value chains across the globe, as the movement of both raw materials and final goods was heavily restricted mainly across borders. An overdependence on external markets and primary commodities prompted a reduced demand for African exports and resultant revenues. It is worth noting that at the core of Africa's international trade lies informal cross-border trade (ICBT), which accounts for up to 40 per cent of intraregional trade in East and Southern Africa

¹³ Bissoonauth R (2020). “Addressing the impact of Covid-19 on girls and women's education in Africa”. Global Partnership for Education.

¹⁴ Murthi M, Ghanem H, Diagana O (2021). Why investing in women and girls matters now more than ever, World Bank blog.

¹⁵ Younglives.org.uk (2021). Addressing the gender digital divide is critical to ensure no one is left behind from COVID-19 | young-lives (younglives.org.uk)

¹⁶ *The Economist* (2021). Covid-19 creates a window for school reform in Africa | *The Economist*.

¹⁷ Amaro D, Pandolfelli L, Sanchez-Tapia I and Brossard M (2020). COVID-19 and education: The digital gender divide among adolescents in sub-Saharan Africa - Evidence for Action. unicef.org

¹⁸ Plan International (2020). Abuse and harassment driving girls off Facebook, Instagram and Twitter | *Plan International*.

¹⁹ Mlambo-Ngcuka P and Albrechtsen AB (2020). Op-ed: We cannot allow COVID-19 to reinforce the digital gender divide | *UN Women – Headquarters*.

²⁰ Stromeyer, R (2020). The Effect of Covid-19 on Education in Africa and its Implications for the Use of Technology — *International Council for Open and Distance Education (ICDE)*.

(ITC, 2008²¹; Nshimbe and Moyo, 2017). The central role of ICBT is even more prominent in African ALDCs, where most of the population sustain their livelihoods in the informal economy (figure 2). For example, Stuart (2020) estimates that the value of ICBT in Uganda corresponds to 86 per cent of its formal exports, while in Rwanda, it is pegged at 50 per cent higher than its formal exports.

ICBT thrives on a continuous inflow of commercial goods, which was largely impaired by COVID-19 restrictions on movement and border closures. While undermining the demand for most businesses, these measures resulted in the delayed circulation of goods, and in extreme cases, complete supply cut-off, as transport and logistics were greatly affected by the imposed containment measures. Although the complete movement of goods across borders was largely minimized in Africa, increased border regulations to facilitate such movements were not conducive for informal cross-border traders, resulting in increased use of unofficial routes to trade across borders (Mvunga and Kunaka, 2021). However, these routes are costly for small-scale traders, as they involve the illegal crossing of borders, smuggling, corruption and risk of theft or confiscation of their merchandise. While formal routes remained the optimal option, strict routine checks made it virtually impossible for most of these traders to not declare their goods and pay appropriate tax, which under their normal trading arrangements, is not part of their costs. Moreover, these strict routine checks further compounded the long border-crossing times, that drive traders to avoid official import or export declarations (Karkare et al., 2021; Mihigo and Mesa, 2021).

As the movement of large consignments in vehicles was largely feasible under strict clearance protocols, group purchases of merchandise by small traders were encouraged (Mihigo and Mesa, 2021; Mvunga and Kunaka, 2021). However, this excluded most of the ICB traders with low working capital and thus, further minimizing their chances of remaining in business, particularly for those that rely on daily buying and selling. Reduced demand following restrictions on movement further resulted in huge losses, impaired their ability to repay the loans, and jeopardizes the complete loss of their livelihoods. While most formal businesses shifted to online trading, low levels of education and limited access to digital equipment prevented informal businesses from adapting quickly to the changing market conditions (Chivunga and Tempest 2021). Moreover, the very nature of ICBT, which is largely on a cash basis, casts doubt on the applicability of the digital revolution in international trade dominated by ICB traders.

Largely trading in raw or semi-processed agricultural products, women constitute up to 70 per cent of the informal cross-border (ICB) traders in Africa,²² of which about 90 per cent have no alternative source of livelihoods (Bugingo, 2018). Overall, ICB traders in Africa have predominantly low working capital and limited access to finance, as most of the businesses are for subsistence and without tangible business assets to be used as collateral for business loans. Moreover, most ICB traders are unbanked and rely on expensive informal loans for bulk stock purchases (mostly targeted to be sold within the day, as they do not have appropriate storage for perishable goods). Research shows that while women's businesses are largely on a small scale with and for subsistence, men's businesses are on a somewhat larger scale and trade in higher-value products (USAID, 2016), suggesting increased vulnerability of women's businesses to COVID-19 related interruptions. Accordingly, a policy brief by UN Women et al.²³ highlights that most female-led small and medium-sized enterprises (SMEs) in Africa are more at risk of permanent business shutdown than men.

2. Policy responses to COVID-19 in African LDCs

With its devastating health impacts in most European countries during the first quarter of 2020, the sporadic spread of COVID-19 across the globe created a lot of anxiety in most of the African countries, particularly in LDCs, against the backdrop of weak health systems and constrained fiscal spaces, resulting in strict measures to fully contain the spread of the virus as the optimal policy response. However, persistent informality predominated by daily wage earners, coupled with weak or non-existent social welfare systems, challenged the implementation of such strict containment measures. In particular, the full lockdown was not feasible in African LDCs, as it would result in the complete loss of livelihoods for the majority of the poor who could not be supported through the government social welfare systems. Notwithstanding

²¹ Microsoft Word - EN_CASE-STORY_11oct10-R3.doc (oecd.org)

²² Jean-Guy and Ajumbo (2012).

²³ UN Women, ImpactHER and African Development Bank Group (2020). Transformative policy solutions to support women-led businesses in Africa in a post Covid-19 world. Available at: [file.html \(tralac.org\)](#).

these limitations, most countries completely closed borders and minimized within-country interactions through the closure of public institutions and schools for specific periods. While these measures lead to minimal transmission within and across borders, they did not fully stop the virus from spreading, despite increased use of sanitary measures, such as masks and frequent handwashing, suggesting the increased need to strengthen the health systems and protect the most vulnerable persons and businesses.

Accordingly, most countries leveraged local innovations to contain the spread and manage the health-related impacts of COVID-19. For instance, using local innovators, Senegal developed a US \$1 COVID-19 test kit to improve its testing, treating and tracing strategy. Furthermore, Senegal used local engineers to build US \$60 ventilators, with an embedded savings of about 99.6 per cent when compared to the US \$16,000 price tag for imported ventilators (Arakpogun et al., 2020), thereby cushioning its already constrained fiscal space, while strengthening its ability to manage infection. Similarly, in collaboration with the Grand Challenge Canada (GCC), Uganda used local innovators to develop solar-powered oxygen devices that remain a critical element for managing infections, particularly in remote off-grid health centres and for those without reliable energy supply. Rwanda leveraged mobile phones for a virtual platform to disseminate COVID-related information, as well as help medical staff monitor and directly support COVID-19 patients, including those in self-quarantine (EurekAlert, 2020).

Overall, strengthening the health systems was pursued through both increased domestic investment (table 1) and support from international donors. Measures to support strained health systems were complemented by economic measures for citizens, specifically those active in the labour force. For example, in Malawi, "the COVID response private citizens" initiative was created by Malawian citizens during the second wave of COVID-19, which further undermined the country's health system. The initiative augmented government resources for a swift response in the provision of oxygen cylinders and concentrators, and diagnostic kits to curb the health impact of the virus, as the death toll peaked in January 2021.²⁴ Social welfare was prioritised, as vulnerable groups received cash transfers to maintain their livelihoods. In Lesotho, the budget for the Child Grant Programme, which targets vulnerable households with children aged 0-17, was increased by 16.1 per cent, with resource mobilisation efforts from the European Union²⁵. In Angola, formalisation was encouraged, as micro-loans were accessible to businesses, provided they formalised their activities. Senegal safeguarded formal sector livelihoods through minimum wage setting and layoff bans (Benjamin and Mbaye, 2020).

The pandemic also pushed digitalisation in policymaking. Togo introduced NOVISSI, a mobile cash-transfer programme targeting vulnerable households and informal workers. Since its inception, 1.4 million informal workers have registered. As of January 2021, mobile money penetration in Togo has increased by 7 per cent, benefiting vulnerable households in the 100 poorest cantons in the country with access to social protection payments²⁶.

Fiscal and monetary policies²⁷ to support businesses in affected sectors, such as transport, tourism and hospitality, were pursued using tax reliefs, fee suspensions, interest-free (or low interest) loans and subsidies (table 1). Burkina Faso, Benin, Mali, Madagascar, Lesotho, Niger and Djibouti implemented tax exemptions to micro, small and medium-sized enterprises (MSMEs) in the informal sector. Worth noting is the proportion of female-owned MSMEs and/or the proportion of women in the beneficiary MSMEs. For instance, in Lesotho, women account for 59 per cent of the MSMEs, while in Mali, the beneficiary sectors employ 2.3 times more women than men. The Gambia and Togo reduced input costs using subsidies in the agricultural sector. Lesotho provided three months salary subsidies to 40,000 employees in the textile and clothing sectors, of which 80 per cent were women. Mauritania created a US \$670 million COVID-19 solidarity fund, of which US \$134 million was used to support households headed by females and other vulnerable groups. Senegal provided interest-free loans and subsidies to female entrepreneurs in the informal sector, while Uganda provided low-interest loans to agribusinesses, which account for 76.8 per cent of women's employment and 68.3 per cent of men's.

²⁴ Matonga G. (2021). Malawi citizens buy urgently needed, basic Covid medical equipment. *The Mail and Guardian* (mg.co.za).

²⁵ UNICEF Lesotho 2020/2021 Social Protection Budget Brief, available at: *UNICEF-Lesotho-Social-Protection-Budget-Brief-2020-21.pdf*.

²⁶ World Bank (2021). Prioritizing the poorest and most vulnerable in West Africa: Togo's Novissi platform for social protection uses machine learning, geospatial analytics, and mobile phone metadata for the pandemic response, worldbank.org

²⁷ International Monetary Fund (2021). Policy responses to COVID19. Available at: imf.org.

Table 1: Summary of Fiscal and Monetary Covid-19 Responses in African LDCs

Country	Announced economic stimulus (US\$), excluding new health spending	Announced stimulus (% GDP)	Announced COVID-19 health spending (US\$)	COVID-19 health spending, % General Government Total Expenditure (GGX)	Corporate tax deferrals and exemptions	Additional corporate support (including guarantees, subsidies, etc.)	Cash transfers to citizens (including unemployment benefits)	Food assistance
Angola	\$67 million	0.10%	\$120 million	1.20%	✓			
Benin	\$148 million	1.00%	\$99 million	4.50%	✓	✓	✓	
Burkina Faso	-	-	-	-	✓	✓		✓
Burundi	\$28 million	0.80%	-		✓		✓	
CAR	\$48 million	2.10%	\$69 million	23.10%	✓		✓	
Chad	\$165 million	1.50%	\$69 million	5.30%	✓	✓		✓
Comoros	\$25 million	2.10%	-	-	✓		✓	
Djibouti	\$70 million	2.40%	-	-				✓
DRC	-	-	\$135 million	2.70%	✓			
Eritrea	\$143 million	-	-	-				
Ethiopia	\$1,210 million	1.50%	\$430 million	4.00%	✓	✓	✓	✓
Gambia	\$26 million	1.70%	\$19 million	6.30%			✓	✓
Guinea	\$378 million	3.10%	\$47 million	2.60%	✓	✓	✓	
Guinea-Bissau	\$1 million	0.10%	\$5 million	1.70%				✓
Lesotho	\$63 million	2.30%	\$37 million	4.10%	✓	✓	✓	
Liberia	-	-	-	-				
Madagascar	\$100 million	0.80%	\$4 million	0.20%	✓		✓	
Malawi	\$50 million	0.70%	\$20 million	1.10%	✓		✓	
Mali	\$165 million	1.00%	\$86 million	2.70%	✓	✓	✓	✓
Mauritania	\$260 million	5.00%	\$80 million	6.20%	✓	✓	✓	
Mozambique	*US\$700mn requested	4.86*	\$49 million	1.20%	✓	✓	✓	
Niger	\$121 million	1.30%	-	-		✓	✓	✓
Rwanda	\$314 million	3.30%	-	-	✓	✓	✓	✓
Sao Tome & Principe	-	-	-	-		✓	✓	
Senegal	\$801 million	3.40%	\$130 million	2.70%	✓	✓	✓	✓
Sierra Leone	\$245 million	6.00%	\$8 million	1.10%		✓		
Somalia	-	-	-	-	✓			
South Sudan	\$3 million	0.10%	\$13 million	0.80%				
Sudan	\$415 million	1.20%	\$542 million	14.70%		✓	✓	✓
Tanzania	\$408 million	0.70%	\$12 million	0.10%	✓	✓	✓	
Togo	\$131 million	2.40%	\$187 million	15.60%	✓		✓	
Uganda	\$288 million	1.00%	\$81 million	1.50%	✓	✓	✓	✓
Zambia	\$142 million	0.50%	\$35 million	0.90%	✓			

Source: Adapted from <https://covid19africawatch.org/africa-policy-monitor/> and Policy Responses to COVID19 (imf.org).

Fund differences in fiscal support measures were evident, ranging from less than 1 per cent (Eritrea, Liberia and Malawi) to 5-10 per cent of GDP (Mozambique, Senegal) (Parisotto and Elsheikhi, 2020). Correspondingly, government expenditure shifted towards COVID-19 spending. In Togo, for instance, the 2020 budget allocation for capital spending was reduced by 60 per cent to allocate COVID-19-related expenditures. This had implications for the political economy, as recovery is traded for lower capital expenditure. Overall, African LDCs used innovative and sometimes unconventional

measures to respond to the virus, such as Rwanda's use of top civil servants' salaries to fund welfare programs. However, with a limited fiscal and administrative capacity, decreasing revenues and foreign exchange from a dependency on imports strained the ability of such responses to limit the harm done by the pandemic. Additionally, African countries need to push for gender-inclusive policies. According to the COVID-19 Global Gender Response Tracker, which screens gender inclusivity in governmental measures against the pandemic, just 16 per cent of labour market measures are gender-sensitive – this includes social protection²⁸.

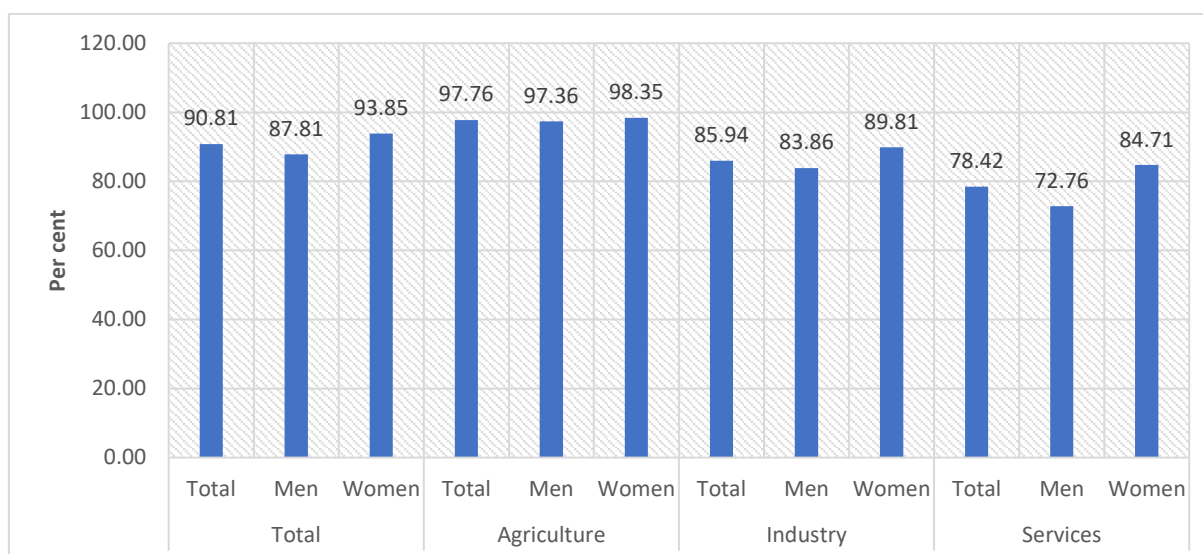
It should be noted that while most of the above policies were effective in containing and managing the virus, restrictive movement containment measures, coupled with persistent informality, have increased income insecurity in African LDCs. For example, informal workers missed out on seasonal cross-border migration, negatively impacting related value chains and remittances. Moreover, social distancing measures reduced patronisation for most small and medium-sized enterprises (SMEs), with some closing temporarily or permanently, depending on the impact on the revenue and capital required to keep the business afloat. While these impacts exist across gender, and even though implementation of the above policies implicitly preserved more of women's incomes and livelihoods compared to men, due to their overrepresentation in the targeted sectors, COVID-19 offers a stark reality of increased income inequality and enlarged gender parity. The implementation of these policies in most African LDCs remained modest compared to other developing countries, both within Africa and beyond, due to their constrained fiscal spaces.

3. COVID-19 and informal employment in African LDCs

Although African LDCs reported lower COVID-19 cases, government-imposed measures to curb the spread of the virus, such as lockdowns and curfews, have negatively impacted labour markets. Both formal and informal workers were at risk of job losses and decreased incomes due to interruptions in economic activities. However, workers in informal employment were disproportionately affected, as most are daily wage earners without a contingency plan for a socio-economic crisis. Informal employment is very high, at an average of 90.8 per cent in African LDCs (figure 2), compared to the global average of 61.2 per cent. Poverty and income inequality increase the vulnerability of informal workers to external shocks. Low incomes and productivity, as well as limited capacity to save and invest, means that informal workers in African LDCs are hardest hit by economic downturns. These vulnerabilities are compounded by a lack of viable social protection policies and strategies for the vulnerable households in African LDCs.

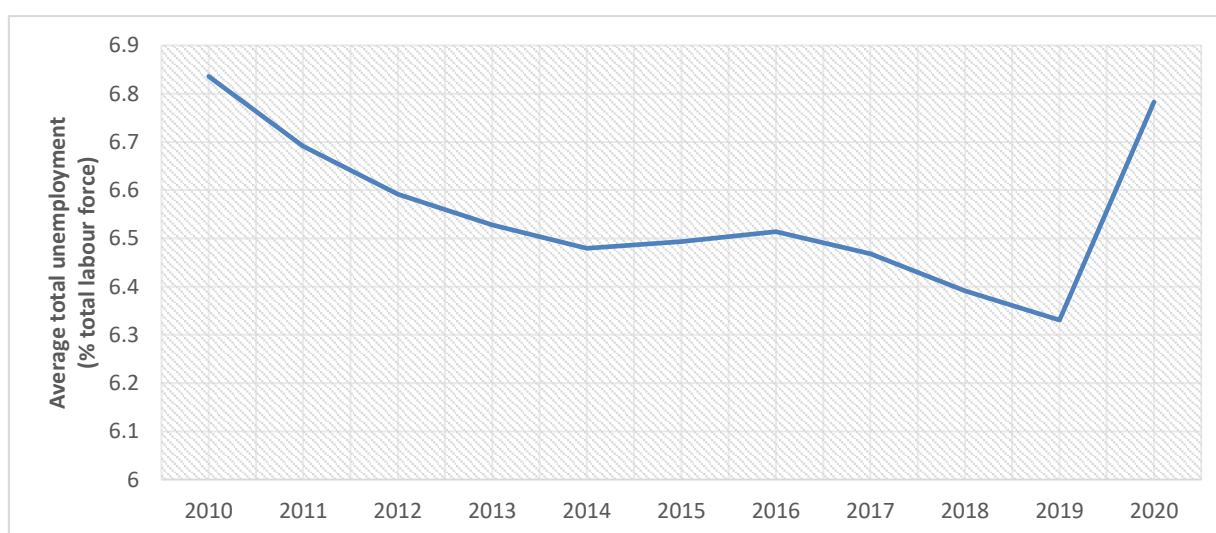
In 2018, women's informal employment was 6.04 percentage points more than the proportion of men who were informally employed (87.81 per cent). The agriculture sector employs the largest number of informal workers, followed by industry and services. In all three sectors, more women are informally employed, ranging from 84.71 per cent of women's jobs for services, where the gender disparity in informal employment is the highest to 89.81 per cent for industry and 98.4 per cent of the female workforce for agriculture. Overall, figure 2 suggests that informal employment in African LDCs is dominated by women across sectors. The largest gender difference is in services, and likely due to low-intensity production and structural transformation driving service sector growth. During the pandemic, engagement in service industries increased the risk of job and income losses for many active workers, whether in the formal or informal sectors.

²⁸ UNDP COVID-19 Global Gender Response Tracker. Available at: <https://data.undp.org/gendertracker/>.

Figure 2: Sectoral distribution of informal employment in African LDCs, 2018

Source: ILO, 2018

In African LDCs, total unemployment almost doubled from 6.97 per cent in 2019 to 11.55 in 2020 as a result of the pandemic (Figure 3). Low skilled workers, in particular, have been disproportionately affected by the economic downturns. Layoffs of unskilled staff had a significant toll on the informal economy, which covers about 91 per cent of African LDCs' labour force. Informal urban businesses were particularly affected by income losses from layoffs in private and public firms, whose employees make up part of the informal business demand ²⁹. Decreased demand in tourism and service sectors, as well as business efforts to decrease costs, highly affected unskilled workers in the wake of the crisis.

Figure 3: Total unemployment in African LDCs, 2010-2020

Source: Authors calculations based on World Development Indicators, 2021

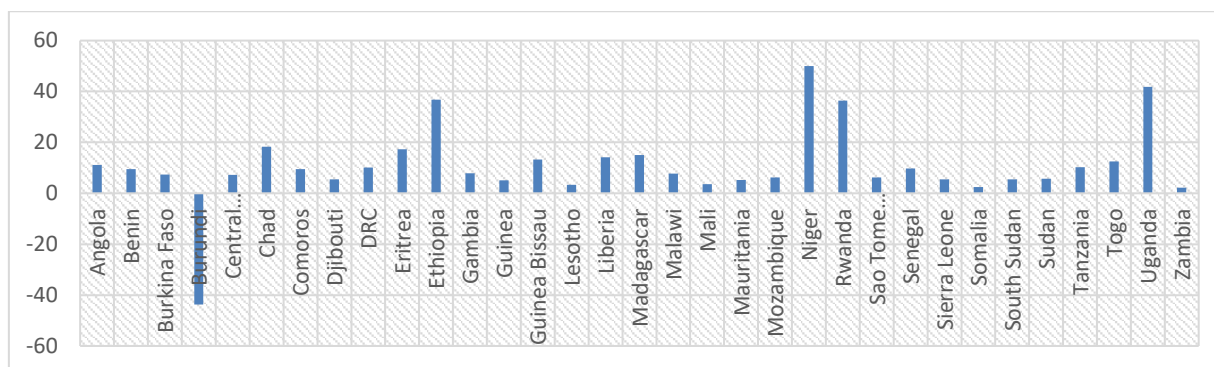
3.1 Disproportionate impacts across countries

Although all countries globally were directly or indirectly affected by COVID-19, data from various sources highlights that the socio-economic impacts from the pandemic were not homogenous across countries and sectors. Overall, the service sector, including tourism and accommodation, was disproportionately affected, as their performance hinges on the

²⁹ COVID-19 and the future of work in Africa: How to shore up incomes for informal sector workers (brookings.edu)

movement of persons and goods, both of which were heavily restricted during the pandemic. Moreover, the proportion of informal employment in a specific sector further compounded the overall impact of COVID-19 on incomes and livelihoods in different countries. Factors such as the absence of social security, low productivity and earnings, increased occupational health and safety hazards that are associated with informal work in African LDCs, increased the vulnerability of the region's informal workers to the socio-economic impacts of COVID-19.

Figure 4: Change in unemployment in African LDCs (2019-2020)



Source: World Development Indicators, 2021

Figure 4 shows that apart from Burundi, the labour market in every African LDC was negatively impacted by the coronavirus pandemic, with an average 10.87 per cent change in unemployment of. While the labour market in Niger and Uganda took the biggest hit, with unemployment increasing by 50 per cent and 41 per cent, respectively, unemployment marginally increased by 2.18 per cent in Zambia and 2.42 per cent in Somalia. Zarrilli and Luomaranta (2021) suggest that although male unemployment increased as the pandemic accelerated, female unemployment increased in personal services jobs, leading to lower participation of women in labour formal markets. Overall, labour force participation remains lower than pre-pandemic levels in African LDCs, with disproportionate impacts on women due to their overrepresentation in sectors that were hardest hit in the respective countries. Against this backdrop, the rest of the section discusses figure 4 within the context of sectoral contribution to GDP and employment using selected African LDCs. Focusing on informality, the choice of these countries is guided by data availability for the year of interest and the highlighted impact of COVID-19 on the labour market in figure 4.

3.1.1 Agricultural sector

Although agriculture has been losing prominence in terms of contribution to GDP as services have been gaining in most African LDCs, the agricultural sector remains key to sustaining livelihoods in most African LDCs, accounting for about 56 per cent of total employment³⁰, and about 91 per cent of informal employment (figure 2) since 2010. While the World Development Indicators show significant changes in the labour market for almost all African LDCs, agricultural employment in Burundi has changed only by about 1.8 percentage points in the 2014-2019 period, from an average of 87.95 per cent in 2010-2013. However, just like other African countries, informal employment largely driven by subsistence needs dominates the sector, suggesting an increased level of the sector's vulnerability to social and economic shocks, as subsistence agriculture is highly volatile both in terms of output and income³¹.

The ILOstat (2021)³² shows that the sector employs 13.6 per cent more women than men, who are currently dominating the industrial (86 per cent) and service sectors (73.4 per cent). Although all sectors in Burundi were affected by COVID-19, agriculture was among the least affected, with its annual growth and contribution to GDP dropping by only 0.3 and 0.4 percentage points, respectively (figure 5). Consistent with empirical evidence that suggests a positive correlation

³⁰ Data from WDI (2021) shows that since 2010, the agriculture sector employs an average of about 51per cent of total labour force in Angola and Zambia; between 63per cent and 68per cent in South Sudan, Madagascar, Guinea, Ethiopia, Eritrea, Democratic Republic of the Congo, Rwanda, Tanzania and Mali; 71per cent to 77per cent in Uganda, Mozambique, Malawi, Central African Republic and Chad; about 80.7per cent in Somalia, and 86.3per cent in Burundi.

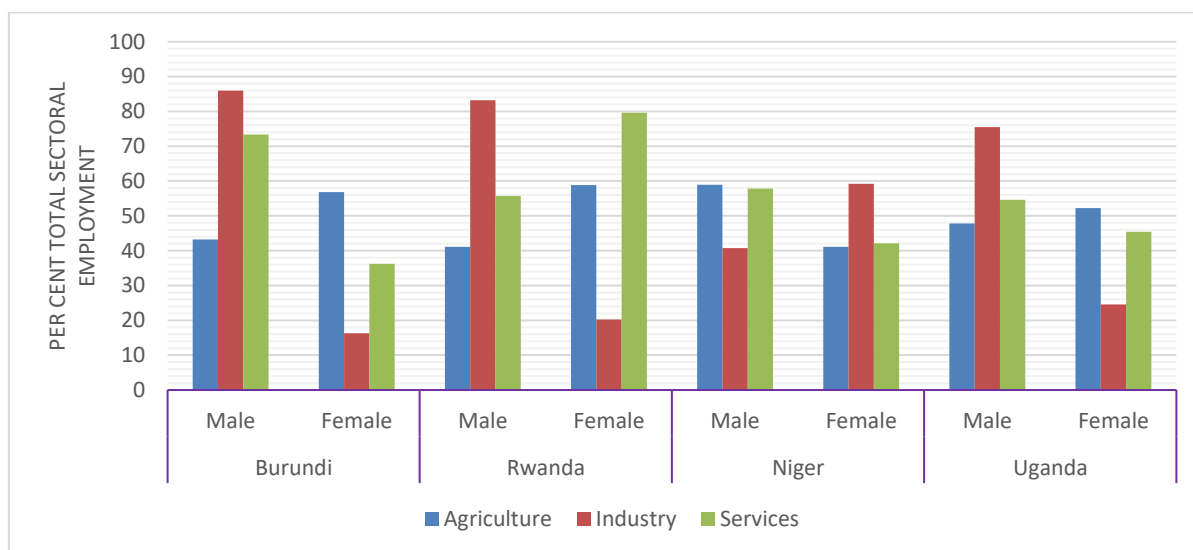
³¹ Danish Trade Union Development Agency (DTDA). [Labour Market Profile Burundi – 2021/2022](https://ulandssekretariatet.dk) (ulandssekretariatet.dk).

³² Home - ILOSTAT - The leading source of labour statistics

between the growth of labour-intensive sectors and employment (Ajilore and Yinusa, 2011; Arias-Vazquez et al., 2012), the marginal negative impact on the agriculture sector did not translate into a significant, precarious impact on employment. Compounded with possible migration of labour from the heavily hit service sector in Burundi, the net impact of COVID-19 on unemployment has been positive (figure 4).

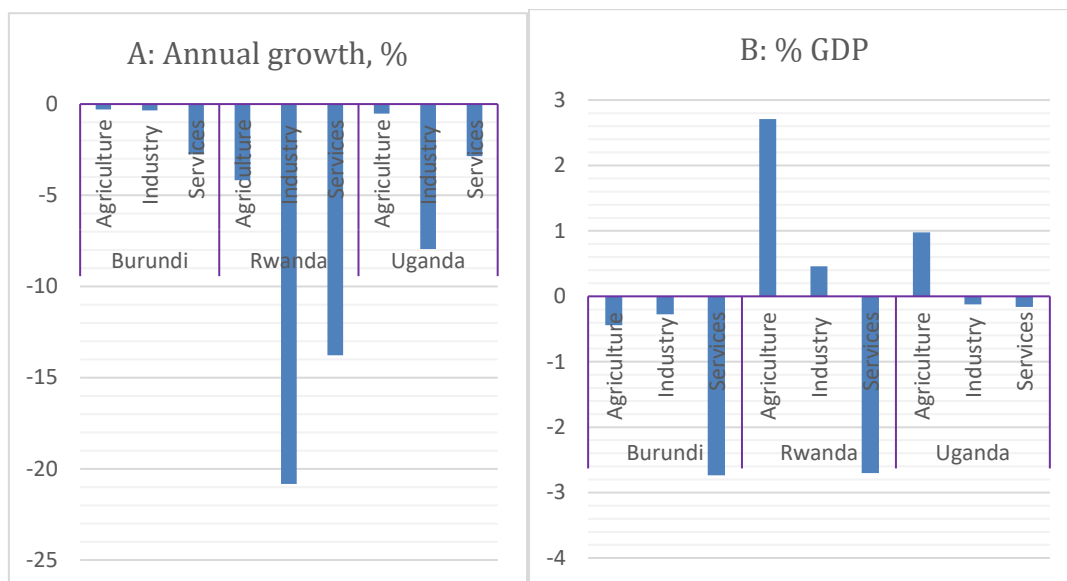
A different trend is observed in Rwanda, where despite a shift towards the service sector, both in terms of contribution to GDP and employment, the agricultural sector remains the dominant employer, accounting for an average of 65 per cent of the active labour force (ILOstat, 2021). Figure 5 shows that the agricultural sector is predominated by women (59 per cent), who are largely driven by subsistence needs. However, just like with Burundi, figure 5 shows that the sector was equally the least affected in Rwanda. On the contrary, the service and industrial sectors shrunk by about 14 and 21 percentage points, respectively, although in terms of contribution to GDP, the industrial sector performed better than the service sector. Since the service sector has been steadily gaining prominence in employment over the years, its slump had significant negative implications on the labour market. Accordingly, significant labour productivity shifts towards the agricultural sector were observed during the pandemic, resulting in an employment increase by 14 per cent³³. Nevertheless, the negative impact of the pandemic in the service and industrial sectors adversely impacted the labour market. In this regard, it is worth noting that the service sector accounts for more jobs (26.5 per cent) than the industrial sector (8.3 per cent) (figure 5), suggesting a proportionate increase in unemployment driven by the losses in the service sector. Furthermore, the dominance of women mostly informally employed by the service sector – about 76 per cent, ILO, 2018 – further highlights that the income and livelihood of women were more affected than men by the pandemic in Rwanda (figure 5).

Figure 5: Sectoral growth and contribution to GDP and employment: Burundi, Rwanda, Niger, Uganda
Figure 5A: Employment by sector (2014-19 average)



Source: ILO stat 2021

³³ Ibid.

Figure 5B: Change in value-added (2019-2020): Burundi, Rwanda and Uganda

Source: World Development Indicators, 2021.

Similar trends are observed for Uganda, where despite being the least affected sector, the marginal negative impact of COVID-19 on the agricultural sector, as the largest employer, is crowded out by the slump in the services (3 per cent) and industrial (8 per cent) sectors (figure 5B). Although hardest hit, the industrial sector accounts for only about 7 per cent of total employment in Uganda, of which about 88 per cent is in the informal sector. Restrictions to mobility reduced demand for most businesses in the informal sector, thereby constraining income-earning opportunities, and increasing vulnerabilities to poverty for individuals working in the informal sector, who lack social protection (Akina Mama Wa Afrika, 2020).

While men dominate both the industrial and service sectors, (figure 5A) with the majority being informally employed, a bigger proportion of the female workforce is informally employed in these two sectors (ILO, 2018). Founded on existing gender biases, resultant increased unpaid domestic responsibilities from COVID-19 movement restrictions (lockdowns) negatively affected female-owned businesses compared to their male counterparts. An International Growth Centre survey of 1,747 Ugandan small and medium-sized enterprises (SMEs) concludes that 69 per cent of male business owners were negatively affected by household responsibilities, compared to 75 per cent of female businesses owners. The latter was also faced with income losses and low food consumption levels measured by food quality, expenditure and number of meals (Alfonsi et al., 2021). Overall, the resulting job losses from the slump in Uganda's industrial and service sectors disproportionately affected women, thereby widening the existing labour gender gap with increased income inequalities³⁴.

3.1.2 Service Sector

Following the structural shift from agriculture to services, both in terms of contribution to GDP and employment in most African LDCs over the years, ILOstat (2021) shows that the service sector currently dominates employment in Burkina Faso (43.8per cent), Comoros (44.5per cent), Djibouti (59.8per cent), Gambia (56.1per cent), Liberia (46per cent), Mauritania (49.9per cent),ão Tomé and Príncipe (61.4per cent), Senegal (54.9per cent), Sudan (42.8per cent) and Togo (47per cent).

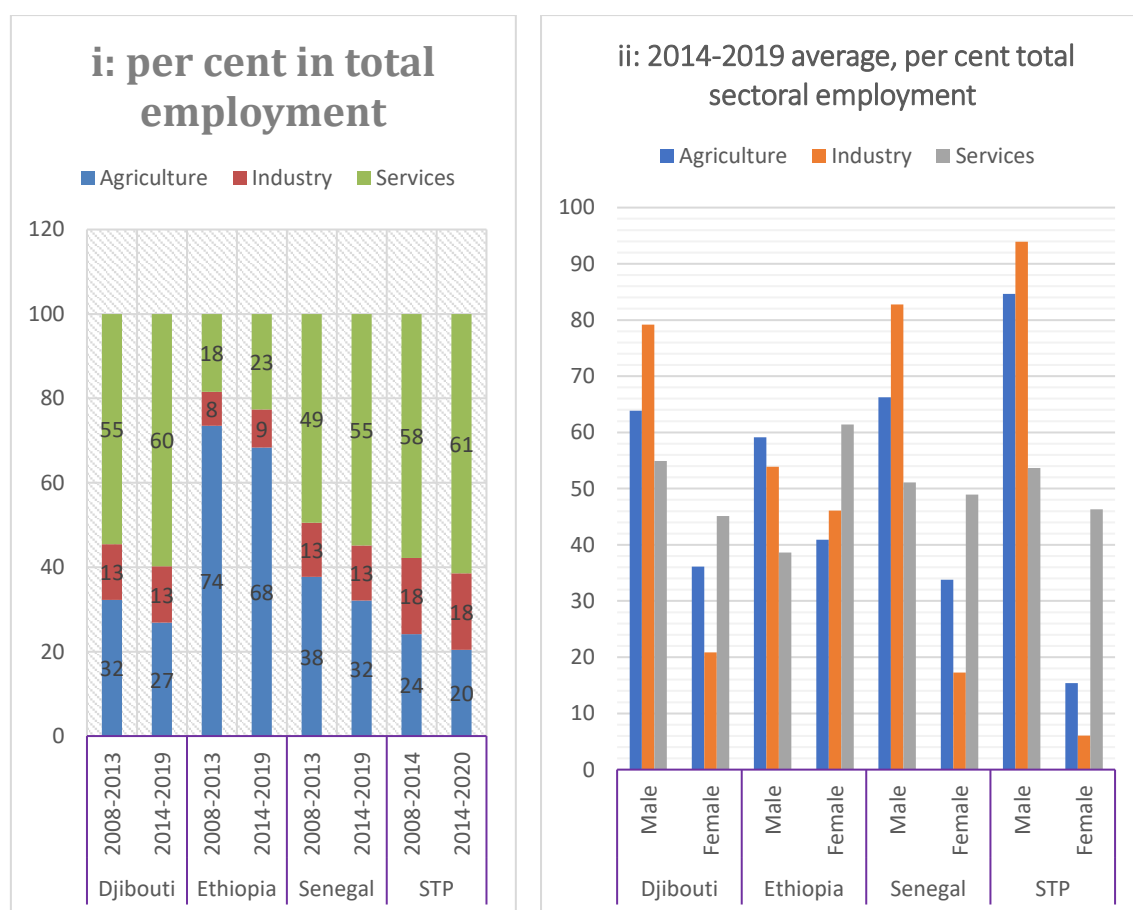
Although more men than women occupy most of the sector's employment in most of these countries, the proportion of women working informally in the sector is higher than that of men, ranging from 77per cent in the Gambia to 94per cent in Togo (ILO, 2018). Nevertheless, a relatively higher number of men than women in absolute terms in the sector, suggests

³⁴ Danish Trade Union Development Agency (DTDA), [Labour Market Profile Burundi – 2021/2022](https://labourmarketprofileburundi-2021/2022/ulandssekretariatet.dk) (ulandssekretariatet.dk).

the increased vulnerability of their incomes and livelihoods relative to those of women as the sector took the biggest knock in all these countries. However, the performance of the sector in relation to the attendant job losses shown in figure 4 suggests better resilience of men's jobs/businesses to COVID-19 socio-economic impacts, as most continued to work and had access to finance to cushion their businesses, albeit not optimally. For example, attendant job losses (figure 4) from a slump in the male-dominated service sectors in Djibouti, São Tomé and Príncipe and Senegal (figure 6) are much lower than the job losses linked with the female-dominated service sector in Ethiopia.

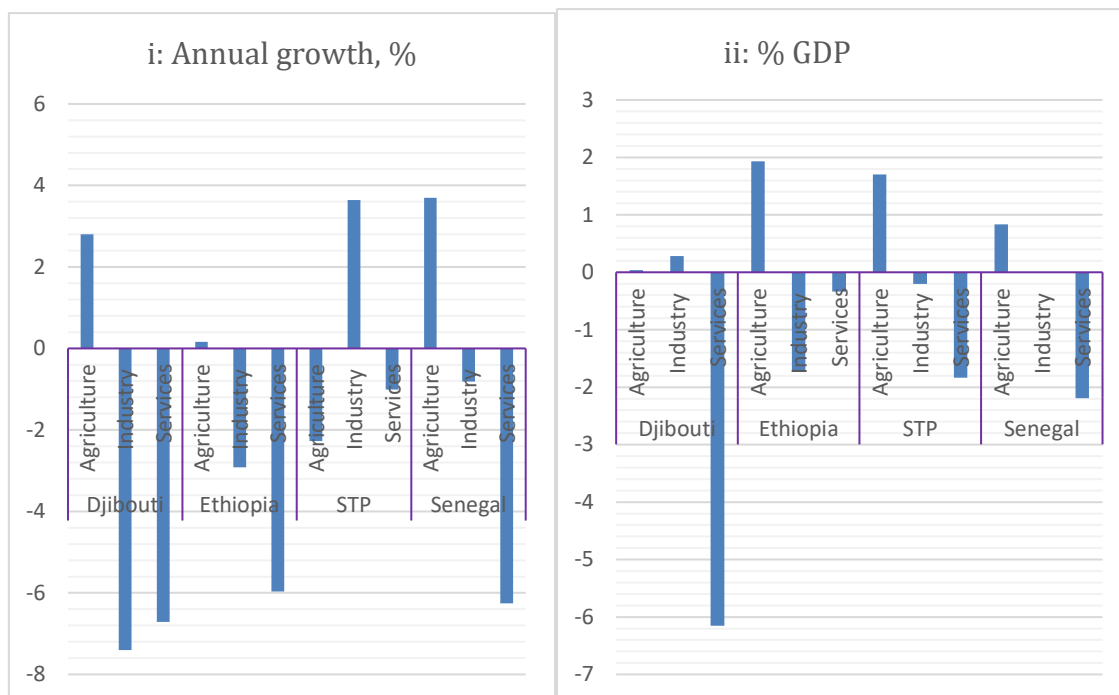
In this context, it is worth noting that despite being an agro-based economy, with the sector employing about 68 per cent of the total labour force, agriculture employs more men, while women's employment is predominantly in the service sector (figure 6). While COVID-19 movement restrictions heightened the vulnerability of service sector occupations, existing gender inequalities amplified these vulnerabilities for women, as barriers to fully participate in the labour market, such as unpaid household work, were exacerbated (Parisotto and Elsheikhi, 2020). Moreover, school closures further challenged the participation of women in gainful employment, as most were faced with an increased need for childcare.

Figure 6A: Employment by sector and gender: Djibouti, Ethiopia, Sao Tomé and Príncipe and Senegal



Source: ILO stat 2021

Figure 6B: Change in value-added (2019-2020): Djibouti, Ethiopia, Sao Tome and Principe and Senegal



Source: World Development Indicators, 2021.

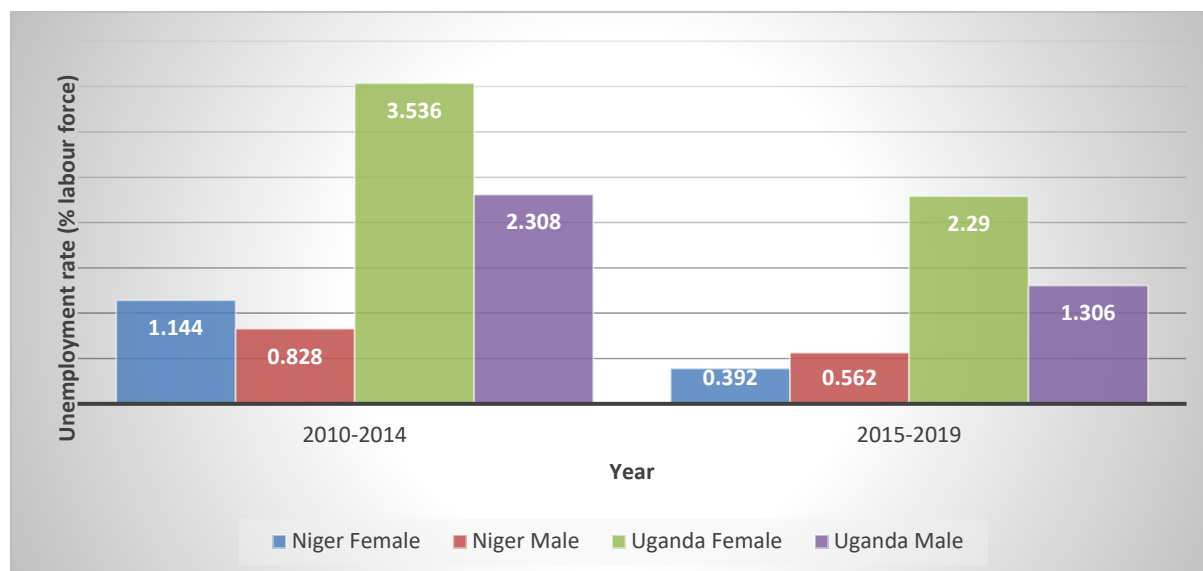
To summarize, the service sector is the most vulnerable to COVID-19, as its performance hinges on the movement of persons, which was heavily restricted during the pandemic. While its relative success was key for the performance of the labour market, figures 5 and 6 suggest that sectoral composition of employment, compounded by the level of informality, determined the magnitude of the impact of COVID-19 in African LDCs. For example, a slump in a male-dominated service sector in Djibouti had a lighter impact on the labour market, relative to a similar slump in a female-dominated service sector in Ethiopia, *ceteris paribus*, suggesting an increased proportion of women accounting for the increased level of unemployment in African LDCs (figure 3). While both women and men were faced with the same shocks from COVID-19 in the service sector, a higher level of women's informality (figure 2), compounded with the increased burden from the existing inequalities in unpaid care work in households, increased women's vulnerability to the pandemic, relative to men. Moreover, research shows that women generally get low-paying and highly volatile jobs in the sector. The International Labour Organization (ILO, 2018) showed that informal employment in households is skewed towards women, covering up to 22.5 per cent of women's jobs in the informal sector, against men's highest value of 16.3 per cent. Precisely, 75 per cent of the domestic workers in Africa are women, suggesting an increased vulnerability of women's jobs, as COVID-19's social distancing containment measures entailed indefinite contextual unpaid leave or dismissal, with significant negative implications on their incomes and livelihoods (Castel-Branco, 2021). For example, 29 per cent of domestic workers on average were dismissed following movement restriction containment measures in African countries including Malawi, Zambia, Uganda, Togo, Tanzania, Ethiopia and Burkina Faso. Castel Branco (2021) further shows that 86 per cent of these dismissed workers did not receive any compensation, suggesting an abrupt loss of livelihood for more women than men, as women dominate domestic employment in these countries. Lastly, with women owning more than 50 per cent of informal businesses in African LDCs, low productivity and income from the pandemic further entail that the livelihoods of more women have been compromised than men, as highlighted in figures 5 and 6.

3.2 Unemployment by Gender

Unemployment trends in the region suggest that the impact of COVID-19 on women's incomes and livelihoods has further widened the gender gap in African LDCs. Between 2010 and 2014, female unemployment in Niger was higher than male unemployment by 0.316 percentage points. However, between 2015 and 2019, male unemployment exceeded female unemployment by 0.17 per cent points. In 2019, male unemployment was higher than female unemployment by 0.16 percentage points (ILOstat, 2021). Zarrilli and Luomaranta (2021) found that countries with higher male unemployment

rates pre-pandemic still experienced a higher rate of women leaving the labour market. Despite its generally low unemployment rate, averaging 0.72 per cent in the last decade, Niger recorded the highest unemployment increase in African LDCs – 50 per cent in 2020.

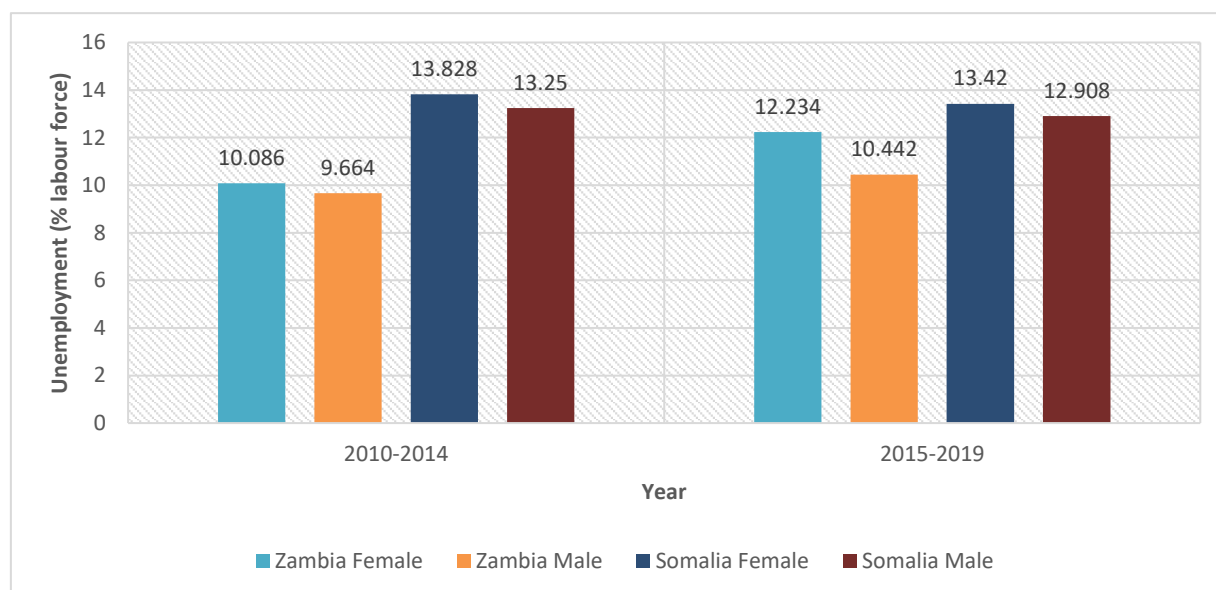
Figure 7: Unemployment by gender in Niger and Uganda (2010-2019)



Source: World Development Indicators, 2021

The second most affected African LDC was Uganda, whose unemployment rate averaged 2.36 per cent from 2010 to 2020. The pandemic brought a 41.87 per cent increase in total unemployment, after rising from 11.91 per cent to 12.17 per cent between 2019 and 2020 (ILOstat, 2021). Unemployment in 2020 was 1.44 percentage points higher than the 11-year average of 10.73 per cent (World Development Indicators, 2021). Unlike Niger, where there was a stark periodic difference between male and female unemployment. Uganda's rate of unemployment displays identical trends by gender. Also unlike Niger, Uganda has more female unemployment than male, and there is a large gap between them. Discrimination and traditional gender roles are known to reduce female access to labour markets and, therefore, productivity.

Figure 8: Unemployment by gender in Zambia and Somalia (2010-2019)



Source: World Development Indicators, 2021

Data from the World Development Indicators (2021) on total unemployment shows that Zambia has averaged a 10.73 per cent unemployment rate between 2010 and 2019. For the five-year periods shown in figure 8, the country has consistently had higher female unemployment. The gap between male and female unemployment started widening in 2012, as female unemployment grew at a faster rate than male unemployment. By 2019, female unemployment was 13.09 per cent, compared to 10.81 per cent male unemployment (compared to 13.44 and 12.97 in 2012), suggesting that Zambia's labour market growth was largely due to higher male unemployment shrinkages. This can be explained by positive changes in urban labour force participation, as men migrate from rural areas in search of employment. Such movement is also linked to changes in employment status, which influences gender disparities in the labour market. From 2008 to 2014, the male share of paid employment increased from 25 to 34 per cent, compared to a 2-percentage point increase for females, whose largest increase was in unpaid family activities (Ravillard, 2017). Similarly, Somalia has had higher female unemployment in the last decade. From 2015 to 2019, the country's employment gender gap was smaller than that of Zambia. The percentage point difference was 1.792 for Zambia and 0.512 for Somalia. Smaller gaps in Somalia can be drawn from factors, such as higher education, vulnerable employment, financial access and clannism, which equally, although through different means, influences the likelihood of male and female labour participation³⁵.

Isolating female unemployment, the overall trend suggests that countries most (and least) affected by the pandemic through job loss and labour participation had lower (and higher) female unemployment (see figure 6). This is consistent with the literature, as the pandemic hurt sectors where women were overly represented (United Nations, 2020; WTO, 2020). Zambia and Somalia rates of female unemployment were also significantly higher than Niger and Uganda, explaining the latter's larger change in unemployment, as female labour participation decreased more significantly. Between 2010 and 2019, Niger, Uganda, Zambia and Somalia averaged 0.77, 2.91, 11.16 and 13.62 per cent, respectively.

The COVID-19 pandemic has had gendered effects for both Zambia and Somalia. A qualitative study on self-employed women in Ndola, Zambia found that an inadequate food supply, a hopelessness to revive businesses, and inadequate access to reproductive health services severely affected women business owners. Gendered practices and insufficient government support for businesses, given the large informal sector, exacerbated economic shocks, such as COVID-19 (Nyashanu, et al., 2020). Individuals in both rural and urban areas experienced lower earnings, with the latter reporting a 51 per cent increase in hours worked. Gendered results indicate that women were more likely to report "no earnings" due to decreased working hours. Differences in income shocks should inform policymakers on recovery measures against shocks (Billima-Mulenga et al., 2021). For example, small-scale businesses owned by women have been affected by containment measures, such as curfews and mobility restrictions, resulting in reduced working hours, trade volume and sales. The lack of business opportunities (personal loans of cash or goods) drastically reduced weekly earnings from US \$25-\$105 to US \$0. Limited access to bank credit highlighted the need for financial inclusion in Somalia, as 86.9 per cent of respondents cited not having access to loans as a reason for liquidity challenges in the business³⁶.

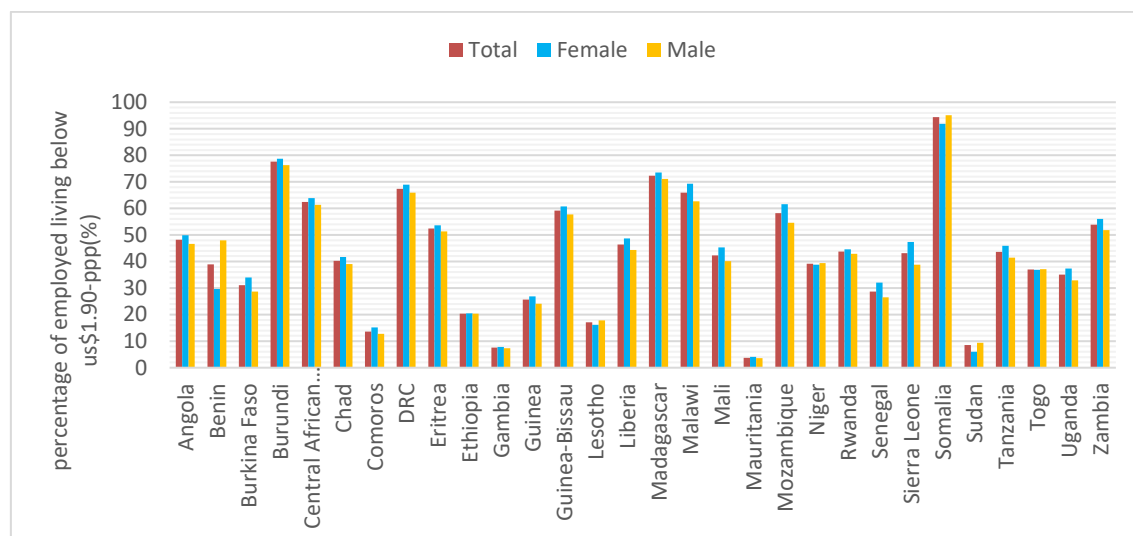
3.2 Implications for working poverty

The rise in unemployment caused by COVID-19 is increasing the vulnerability of income poverty in many global economies. It is estimated that over 1 billion people could be pushed into extreme poverty by 2030, 25 per cent of which are directly attributed to the pandemic (UNDP, 2020). For African LDCs, the pandemic undermines the potential of achieving several SDGs, including SDG 1 – end poverty in all its forms everywhere – and SDG 10 – reduce inequality within and among countries – as women, youth and low-skilled workers are negatively affected by employment and income losses. The challenge continues with the African Union's Agenda 2063, whose prospects of achievement have been decelerated, as countries with limited capacity are forced to cope with a large external shock. Aspiration 1 (prosperous Africa) is of particular interest, as Priority Area 1 (incomes, jobs and decent work) and Priority Area 2 (poverty, inequality and hunger) have been directly impacted by the pandemic. With this backdrop, this section analyses the - effects of the pandemic on working poverty for African LDCs. The working poverty rate was chosen to relate employment, income and poverty with the pandemic as it measures "the proportion of the employed population living in poverty despite being employed."³⁷ The rate provides an understanding of the conditions, opportunities and protection of the working poor for effective policy decisions.

³⁵ NAGAAD Somaliland Gender Gap Assessment FINAL.pdf (oxfam.org).

³⁶ Somalia COVID19 Socio-Economic Impact Assessment 2021 | UNDP in the Arab States.

³⁷ https://ilo.org/wcmsp5/groups/public/---dgreports/stat/documents/publication/wcms_696387.pdf.

Figure 10: Working poverty rate in Selected African LDCs in 2019

Source: ILOSTAT, 2021

Figure 10 shows that about 42 per cent on average of the working population in most African LDCs lived below the poverty line in 2019 with relatively a higher proportion of the female workforce (44 per cent) than men (43 per cent). Notwithstanding this average, working poverty rates above 50 per cent are observed in Burundi (76 per cent), Central African Republic (61 per cent), DRC (66 per cent), Eritrea (51 per cent), Guinea Bissau (58 per cent), Madagascar (71 per cent), Malawi (63 per cent), Mozambique (55 per cent), Somalia (95 per cent) and Zambia (52 per cent). Except for Somalia, Benin, Sudan and Lesotho, all countries in figure 10 reveal that a higher proportion of the female workforce live below the poverty line in African LDCs.

While both men and women were not able to maintain optimal working levels in their jobs and business under the pandemic, the discussion in the above sections highlights that women's jobs and businesses were disproportionately affected with a significant impact on their livelihoods and incomes. This suggests a further widening of the gendered gap in working poverty in most LDCs highlighted in figure 10. Overall, it is estimated that most of the workers who did not lose their jobs during the peak of the pandemic in some African countries saw their incomes decrease by up to 15.6 per cent³⁸. Moreover, section 1.3 of this paper suggests dips in revenues of small-scale businesses across gender amidst increased costs of doing businesses and a slump in demand. While this limited their ability to sustain the business, the loss in income had significant adverse impacts on working poverty. Similarly, for most of the daily wage earners across gender in the informal economy, a reduction in working hours had adverse impacts on their incomes with significant implications on working poverty as most of them barely lived above US\$1.99 per day. Accordingly, UNCTAD (2021) estimated that additional 37 million people will be pushed below the poverty line due to the pandemic.

4. Conclusion and policy recommendations

This paper has examined the gendered effects of COVID-19 on African LDCs, focusing on the informal sector. Using trends analysis, this research paper shows that unemployment in African LDCs almost doubled from 6.97 per cent in 2019 to 11.55 per cent in 2020. With persistent informality at about 91 per cent on average, the slowdown of economic activities and consequent drops in revenue affected the incomes and livelihoods of most informal workers.

The results further show that women are disproportionately affected due to their overrepresentation in informal employment across sectors, compounded by existing gender inequalities and lack of social security support. Limited fiscal space to extend the required support to keep the most vulnerable individuals and businesses afloat in the informal economy, of which more than 50 per cent are owned by women, dims the odds of their recovery post-COVID-19. Overall, the results show that COVID-19 has exacerbated poverty and inequality in African LDCs, and thus compromising their ability to deliver on some of the Sustainable Development Goals, as well as the African Union Agenda 2063.

³⁸ How COVID-19 has impacted work and poverty in Africa - ONE

To enhance recovery and resilience post-COVID-19, foremostly, it is important that African governments fully contain the virus through continued sensitization of the current sanitary containment measures and boosting the COVID-19 vaccine rollout. In this context, strengthening health systems through continued government expenditure on training, research and partnership are key to building resilience against future health shocks.

Results further show that African LDCs could benefit more from greater parity between men and women by addressing existing gender inequalities that have increased the vulnerability of women during the pandemic and affected the livelihoods of most informal workers. In the short run, governments should work on mitigating job and income losses through redistribution mechanisms or social protection policies that enhance equality. Welfare and fiscal policies have to include the informal economy and can be used as a mechanism for the formalisation of businesses. Lastly, governments should provide affordable and easy access to education and health for all individuals by closing the digital divide between income groups.

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