

# Rapid Assessment of the Impact of COVID-19 on Enterprises and Workers in the Informal Economy

Experiences from Jordan- Lebanon and Iraq

Webinar 3- 16 June 2020 - Time: 12.00 -13.30 (Moscow time)

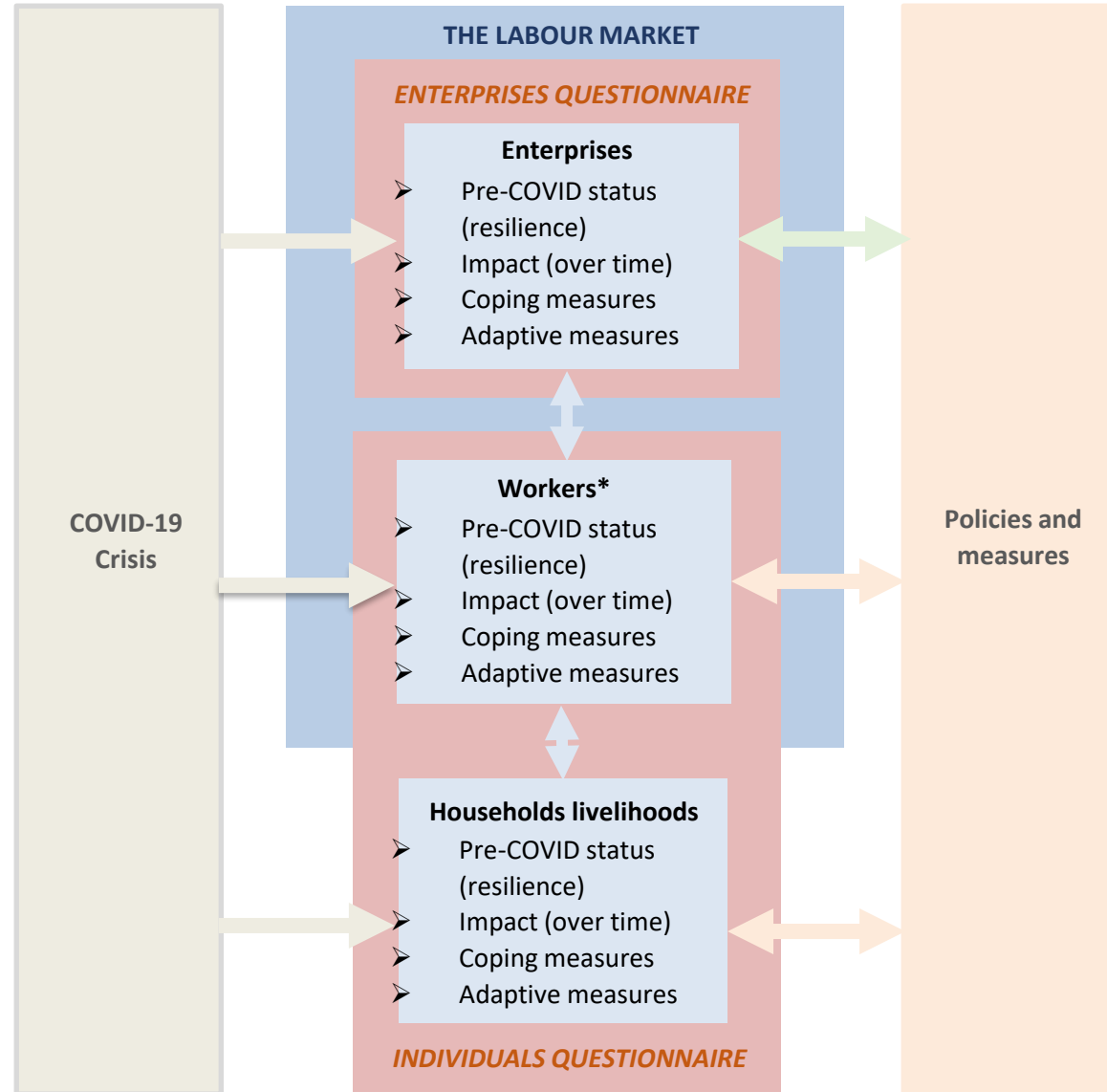
## Objective of the Initiative

To assess the economic and labor market impacts of the pandemic, which have been immediate and very significant, and are likely to continue beyond the immediate shock faced at present.

To identify the current conditions faced by enterprises, individual workers and in light of the pandemic, and to anticipate its future effects on them, in order to identify possible policy, advocacy, and programmatic interventions in the region.

To assess the longer-term impacts using a Panel framework.

# Conceptual framework



## Empirical approach

ILO and Fafo Institute for Labour  
and Social Research (Oslo,  
Norway)

Categories: nationality,  
gender, size of enterprises

Databases of individuals and  
enterprises supported by  
development agencies  
(vulnerable workers and small  
scale enterprises)

- Jordan: ILO and Municipal  
Property Tax Database
- Lebanon: Development  
agencies
- Iraq: Development Agencies  
and MOLSA in KRI

Telephone interviews

Informality assessed using various  
indicators

- Written contract
- Social security registration
- Employment category: wage vs self-  
employment
- Duration: Permanent, temporary
- Work permit for Syrians
- Registrations status for enterprises

## Survey Methodology



## Samples

### Jordan individual Survey

1,580  
individuals  
44 % Syrians  
46 % female

Sample  
frame:  
37,000

### Lebanon individual survey

1,987  
**individuals**  
**70 %**  
**Syrians**  
50 % Female

Sample  
frame:  
14,000

### Iraq individual Survey

4375  
individuals

Sample  
Frame  
25,000

### Jordan Enterprises survey

1,190  
enterprises

### Lebanon Enterprises survey

363 small  
scale  
enterprises

### Iraq Enterprises Survey

1800  
enterprises



MAIN FINDINGS Jordan &  
Lebanon

### Instant reductions in employment

Jordan: 47% of those employed before the lockdown were out of work (13% had been permanently dismissed; 18% temporarily laid-off; 16% were on paid leave).

Lebanon: 86% of those employed before the lockdown were out of work (50% had been permanently dismissed; 34% temporarily laid-off; 2% were on paid leave).

### Limited capacity of households to cope

Jordan: median monthly income from 368 JD to 215 JD

(41 % decrease)

Households with savings: 9%

Savings that last only a month: 70%

Lebanon: median monthly income from 350,000 LBP to 70,000 JD

(80 % decrease)

Households with savings: 11%

Savings that last only a month: 62%

### Syrians, women, informal workers affected disproportionately

Jordan: 35% Syrians against 17% Jordanians had lost their jobs permanently.

Lebanon: 60% Syrians against 39% Lebanese had lost their jobs permanently.

Jordan: 97% of informal workers reported decreased income.

Lebanon: 94% of informal workers reported decreased income.

Jordan: More women on paid leave (47%)

Lebanon: More women on paid leave (1%)

## Limited capacity of companies to cope and pay wages

Jordan: 1/3 enterprises believe they could not survive lockdown for another month  
Lebanon: 29 %

Jordan: 42% of enterprises are not able to pay salaries for an additional month  
Lebanon: 48%

## Awareness on support packages

Jordan: 67% are not aware of support packages  
Lebanon: 82%

Jordan: 20% had no precautionary measures taken at workplace  
Lebanon: 22%

## Enterprise support

Jordan: 12% enterprises benefited from wage subsidies and 8% from soft loans

Lebanon: 6% receive government subsidized pay



# From evidences to policy change and recovery programme

Immediate financial support through measures that support, maintain or restore workers and their family income and/or facilitate employment retention, protection, formalization and governance

Cash Assistance / Cash for Work/EIIP

Active Labour Market Programme

Enhancing Labour Governance, protection and working conditions

Public  
Employment Prog

Job Matching

Employment  
Subsidies

Skills Dev

Career counseling  
and coaching

Entrepreneurship  
Dev

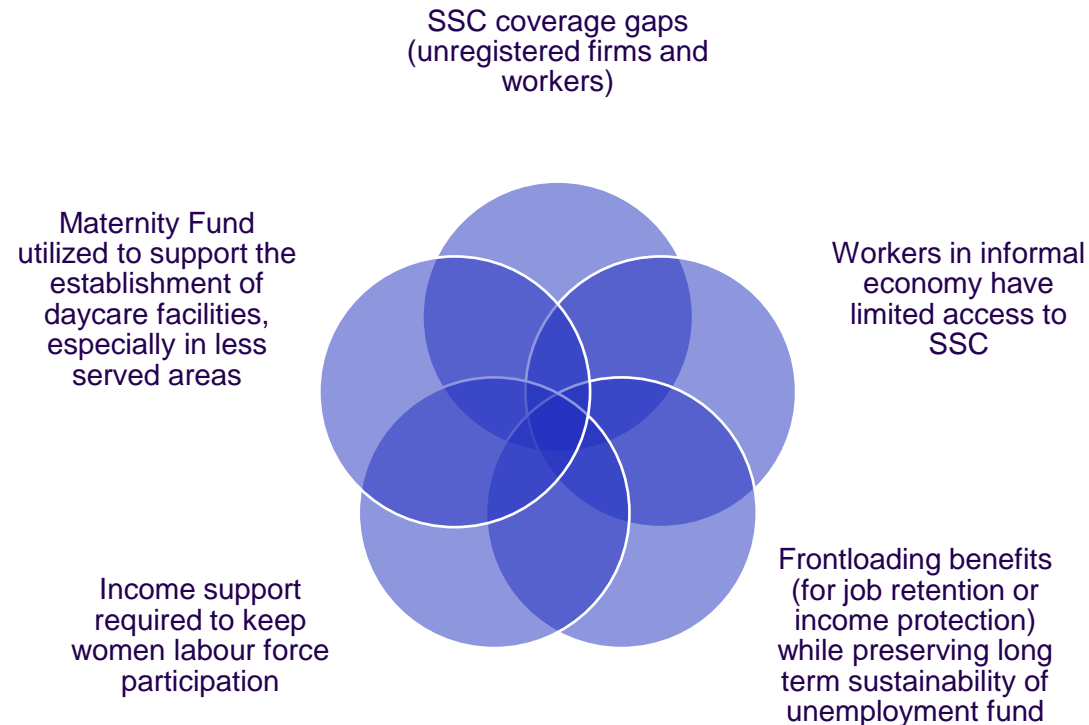
Review and update  
social protection Legal  
Framework

Strengthen labour  
governance

Formalization and  
Decent Work

# Emergency unemployment fund in Jordan

## Justification



## Objective

Risk sharing between donors and  
SSC allow

- for increased coverage and outreach in the informal economy
- Reaching most vulnerable workers, including non-Jordanians
- For special grants to provide sick leave to uncovered workers (to prevent spread of virus) and to allow return to work for those with caring responsibilities

## Next steps

1. Donor Working Group  
to finalize the Strategy  
with MOL

3. MOL and supporting  
donors meet on a monthly  
basis to review progress

2. Establishment of a  
multi donor funds  
managed by SSC to allow  
for cost sharing

▶ **Q&A**

Thank You