

AUSTERITY IN EGYPT: GENDERED EFFECTS AND DISPROPORTIONAL HARM

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Introduction

Since 2016, Egypt has aggressively implemented a range of austerity measures. Stipulated by conditionalities attached to IMF loans, these policies—ranging from subsidy cuts to public sector wage freezes—disproportionately harmed women. They did so by reducing women's economic opportunities, increasing their unpaid care burdens, and worsening access to essential services. Seen in full, structural reform in Egypt, notionally designed to attract foreign investment and stabilize public finances, has in actuality deepened gendered inequalities and amplified vulnerabilities.

Austerity is not just a set of economic policies. It is a form of structural violence that systematically erodes women's economic security and social well-being. The evidence shows that instead of fostering inclusive growth, austerity perpetuates exclusion. Pushing many into informal work, limiting financial independence, and threatening fundamental rights, it is a policy regime that expressly injures women.

I. Austerity after 2016

The policies introduced in Egypt after 2016 that have proven most damaging to women are five in number:

- (i) The elimination of fuel and food subsidies*
- (ii) Public sector downsizing*
- (iii) The privatization of essential services*
- (iv) VAT increases*
- (v) Reduced social spending.*

All of these policies were framed as necessary for economic stabilization. As the record shows, they made no such contribution: Egypt continues to loiter in and around financial crisis. Just as consequently, these policies worsened social inequalities.

Acutely reliant on subsidies for maintaining a baseline of household consumption, reforms on this front disproportionately affected working class women. Subsidy reforms' effects on food prices proved especially pronounced. Due to shocks in commodities markets in 2020 and 2022, the lifting of subsidies would allow inflationary dynamics to take hold and perpetuate.

Already squeezed by losses in purchasing power, working class women also suffered worst from adjoining hikes in regressive taxes like the VAT and reduced social spending: Both policy changes served to sap disposable income further and remove what few protections working-class women had against employment disruptions.

Public sector downsizing, meanwhile, shut down those avenues in the labor market that had historically offered women a path out of precarity. The state's hiring dropped precipitously after 2016, falling 45% as of 2022. Inasmuch as women had made up 40% of the public workforce, this left new labor market entrants with few good options (ILO 2022). Many dropped out of the labor force altogether. Many others were forced into informal employment with no social protections. Austerity policies in Egypt, much like deindustrialization in other MENA countries ultimately accelerated the defeminization of formal labor while intensifying women's unpaid and undervalued reproductive labor.[1]

■ [1] Yasmine Dildar, "Gendered Impacts of Deindustrialization in the Middle East and North Africa", Policy Brief: Noria Research (2024)

The privatization of essential services, lastly, shifted burdens related to healthcare, education, and childcare onto women of all socioeconomic statuses. The OECD estimates that Egyptian women now spend 7.5 hours per day on unpaid care work.[2] In practice, the state’s offloading of caregiving onto women would function to prevent a large share from even considering income-generating activities. Nor do the effects of privatization for women end there. The closure of public hospitals in rural areas in particular has created healthcare deserts while also elevating out-of-pocket expenses.

Each of these results gives testament to the World Bank and IMF’s recurring inability to address structural gender injustices. In Egypt as in so many other places, the two institutions force the poor, women most of all, to subsidize an unjust economic order.

Comparative Gendered Effects of Select Austerity Measures

Policy Measure	Women’s Burden	Macroeconomic Effect
Subsidy Cuts	58% Reduced Food Consumption	Rampant Inflation
Public Sector Wage Freezes	80% of health worker layoffs	Public Healthcare System Collapse
VAT Increases	45% increase in cost of menstrual products	Regressive Tax System

II. The Austerity-Deindustrialization Nexus

There are second-order effects introduced by austerity that have also disproportionately harmed women. They prominently include austerity’s inducement of economic stagnation and stalling of Egypt’s industrial development. This is partially because both dynamics consolidated the labor market’s segmentation. With little growth being generated in the formal sector, the informal sector became the only game in town for women seeking work. The result is that 65% of all employed women in Egypt are now employed informally.[3] Standing little chance of transitioning into formal employment, these women serve as a reserve labor army of sorts—an easily exploitable pool of workers from which the economy can sustain a baseline level of profitability.

[2] Gaelle Ferant, Luca Maria Pesando, and Keiko Nowacka (2022). “Unpaid Care Work and Gender Inequality”, Report: OECD.

[3] Ragui Assaad and Caroline Krafft, “Introducing the Egypt Labor Market Panel Survey 2023”, Working Paper: Economic Research Forum (2023).

Austerity-induced impacts on industrial development have also resulted in job losses that disproportionately affect women. This is quite clearly observed in Alexandria's textile industry. Viewed comprehensively, then, austerity-driven deindustrialization can be seen to systematically undermine women's economic agency and reinforce gendered vulnerabilities in the labor market.

III. Austerity, Patriarchy and a Feminist Alternative

Materially, the IMF and World Bank's interventions in Egypt, in privileging debt repayment above all else, buttress a patriarchal economic system. Per the joint UPR alternate report on economic and social rights in Egypt, these two institutions have, through their lending arrangements, contributed to increasing gender gaps in employment, education, and access to healthcare.[7]

The trajectory set by the Bretton Woods' twins is neither the only nor best one that exists. A more viable way forward—a way that can both advance the cause of gender equality and secure Egypt's economy—can be premised on the following policy recommendations.

(1) Gender Responsive Fiscal Policies

The Egyptian state and its international partners must put a premium on allocating economic resources in a manner that prioritizes women's access to quality healthcare, education, and childcare. These actors should also work to establish a progressive, income-based tax system that redistributes wealth toward marginalized communities, including low-income women. Furthermore, they should mandate gender-responsive budgeting in all government economic policies.

(2) Resisting Neoliberal Prescriptions

Mindful of the gendered effects of public sector downsizing, policymakers must reverse the state's retreat from the labor market and instead expand state employment opportunities. Policymakers need also implement wage parity measures to close gender pay gaps in the public sector (and more broadly). Beyond the public sector, industrial policy should incorporate gendered objectives. For instance, subsidies and procurement can be conditioned on firms employing a particular percentage of women.[8] In addition, basic labor protections must be strengthened for all workers, with special mind paid to the conditions of women in the formal and informal sectors.

(3) Reinvesting in Public Services

In order to lessen women's unpaid care burdens, policy makers must reverse austerity-driven cuts to public healthcare and education services. They should also expand subsidized childcare programs to facilitate women's participation in the workforce, and improve public transportation infrastructure to enhance women's mobility and economic access. In terms of

[4] MENAFem, Egyptian Front for Human Rights, Egyptian Commission for Rights and Freedoms, Tahrir Institute for Middle East Policy, Egypt Human Rights Forum, the CEWLA Foundation, "Joint stakeholder submission to the UN Human Rights Council 4th Universal Periodic Review on Egypt", Memorandum (2025).

[5] See the works of Stephanie Seguino for more on possible policy alternatives

scale, at least 5% of GDP in budgetary resources should be allocated to expanding childcare, eldercare, and healthcare services.

(4) Ending the IMF's Exploitation of Women in the Global South

Lastly, a broader challenge to the IMF and World Bank modus operandi must be launched. Policymakers and allies in the international community need advocate for debt cancellation mechanisms that recognize the historical injustices faced by Global South economies. In the absence of some kind of debt restructuring, mobilizing the capital for essential social investments will be virtually impossible. Stakeholders should also work to anchor development plans in feminist alternative that center and value care work and the collective well-being above all.