



Empower Her: Tackle the RUW Crisis in Egypt and Kenya with Smart, Gender-Focused Solutions

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Key Recommendations for Policy:

- Policies should address food systems as a social-ecological complex, recognizing the varied impacts on different groups and levels.
- Targeted approaches, such as gender-oriented policies, are crucial for effectively addressing inequalities. Cash transfers aimed at women in vulnerable households ensure aid reaches those who need it most, rather than using undifferentiated subsidies for food or fuel. Such policies help reduce poverty severity and support long-term economic growth by investing in women as vital human capital.
- Governments must balance limited fiscal space with the need to protect the most vulnerable populations, including women and children, through social assistance programs. International collaboration is critical for supporting countries facing food crises, especially in times of poly-crisis, such as military conflicts, climate change, and energy shortages.
- Designing effective policies requires holistic, detailed, and cost-efficient ex-ante impact analyses to allocate public funds more effectively as possible worldwide. Model-based assessments can support ex-ante assessments at relatively low costs to provide information on how to spend money better for the most vulnerable population.

Context

The trade disruptions from the Russia-Ukraine War have hit hard, especially countries in the Global South, and it's the most vulnerable people who feel it the most. Crises like this often worsen existing inequalities, especially for women; we saw this pattern play out during COVID-19, and it's happening again now. Recent research points to Egypt and Kenya as being especially affected by these trade disruptions (Cororaton, 2024). Egypt relies heavily on wheat imports, so the conflict has intensified its food security challenges. Kenya, on the other hand, depends on imported oil and fertilizer, which means higher prices in these areas are adding pressure on people's day-to-day lives. The data also shows that women in these countries are impacted differently than men by these economic shocks. Gender-focused policies—ones that account for the unique challenges women face—are proving to work better for supporting women through these times than current approaches. To create effective solutions, especially when resources are tight and multiple crises are overlapping, it's essential to consider the specific needs of women. Gender-focused, targeted policies can go a long way in helping women manage the pressures of this ongoing crisis and building resilience for future challenges.

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Overview

The Russia-Ukraine War (RUW) that started in 2022 triggered a global economic shock by disrupting food, fertiliser, and energy markets, compounding the challenges already posed by the COVID-19 pandemic. Developing countries, particularly in the global South, face the brunt of rising prices and limited supply, with women disproportionately affected due to systemic inequalities. Women in these regions often have less access to productive resources and face gender pay gaps, working predominantly in sectors sensitive to economic shocks such as agriculture and tourism. Additionally, their significant responsibilities in unpaid domestic work limit their economic opportunities, exacerbating their vulnerability. Despite these challenges, women play a critical role in economic development, contributing to key sectors like agriculture, tourism, and care services, which are vital for GDP and human capital growth. Crises like RUW and COVID-19, however, reinforce gender inequalities, with women earning less and often withdrawing from the labour market under increased burdens. In Africa, the impacts of RUW on women vary across countries depending on their economic conditions and gender disparities. Effective mitigation policies must address poverty and inequality, protect vulnerable groups like women, and stimulate long-term economic growth. Such policies should balance immediate and sustained impacts, ensuring equitable benefits without adverse effects on broader populations or industries.



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Evidence

• Differences between Egypt and Kenya

Despite being affected by the RUW, Egypt and Kenya differ in their economic situation. Before the RUW, the average gross domestic product for Egypt was around 3000 USD per head; in Kenya, it was 1800 USD, which was around 40% lower. The trade shocks caused by the RUW impact imports and exports, which differ for both countries. Egypt's supply of cereals, pulses and oilseeds depends a lot on imports, while Kenya's agricultural production relies heavily on importing petrol, fertilisers and chemicals (Figure 1). On the other hand, Egypt has high export shares of petrol and chemicals. Therefore, Egypt suffers increased import prices for agricultural commodities but benefits from increased export prices for petrol. Conversely, Kenya benefits from higher export prices for agricultural commodities and suffers high import prices for petrol, fertiliser and chemicals. However, as shown in Figure 2, the petrol exports from Egypt are much higher than those of agricultural commodities from Kenya. At the same time, the import penetration rate of petrol in Kenya is also higher than that of Egypt.

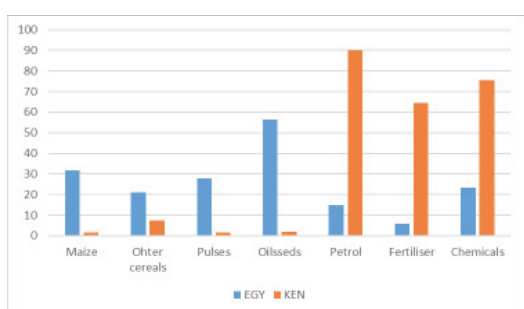


Figure 1: Import penetration rate (in % of total supply)

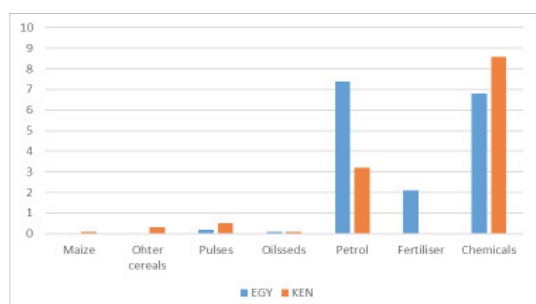


Figure 2: Share of total exports (in % of total exports)

The labour market situation of women differs significantly between the two countries. In Egypt, the unemployment rate of women is higher, and the labour force participation rate is significantly lower than in Kenya (Figure 3). In Kenya, most women work in agriculture and are employed in vulnerable jobs. In Egypt, a comparably low number of women work mainly in public services (administration, schools) (Figure 4).

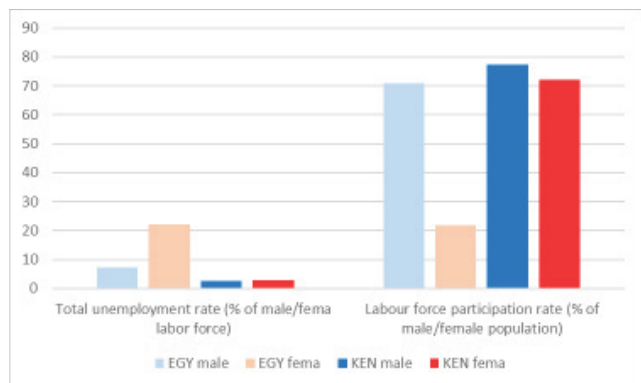


Figure 3: Unemployment and labour force participation
Source: World Bank (2023)

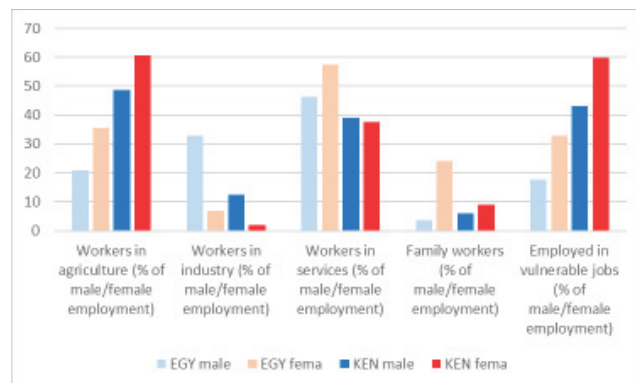


Figure 4: Sectoral employment. Source: World Bank (2023)

• **Impact on GDP and markets**

The RUW-induced price shocks triggered different aspects in the international markets in Egypt and Kenya. The increased import prices for input factors increase production costs and reduce the GDP much more in Kenya than in Egypt, where increased export prices for oil can compensate for the increase in import prices for cereals. Thus, the impact of the price shocks on the Egyptian GDP is marginal. The increased production cost in Kenya spills over to the labour demand, which decreases (Figure 5). In Egypt, aggregated trade and consumption are not significantly impacted, but imports decrease and export demand increases in Kenya. However, decreasing total real household consumption indicates negative impacts on the population (Figure 6).

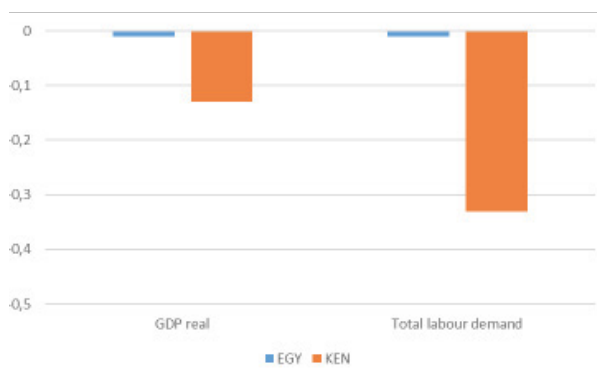


Figure 5: Impact on GDP and labour demand (% change from baseline)

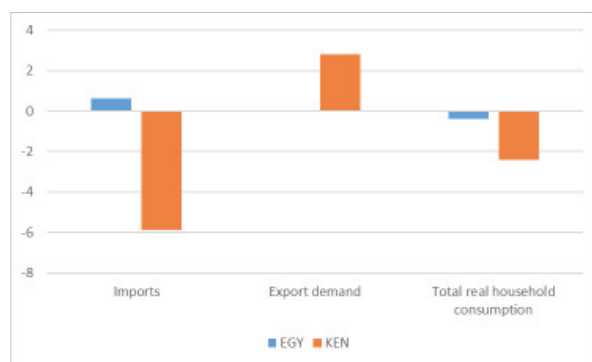


Figure 6: Impact on trade and household consumption (% change from baseline)

• **Impact on poverty**

Poverty increases in both countries in terms of incidence (FGT 0), poverty gap (FGT 1) and severity (FGT 2). Before the shock, the poverty headcount in Kenya was 20 per cent higher than in Egypt. However, the poverty gap and severity are more expressed in Egypt than in Kenya. Thus, these measures indicate increased poverty in both countries caused by the RUW shocks (Figure 7). The change in the food security index (Figure 8) shows that in both countries, food security for women decreased more than for men in the poorest income quintiles on average.

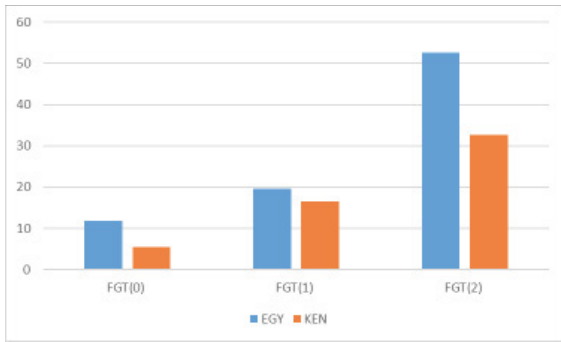


Figure 7: Impact poverty index (% change from baseline)

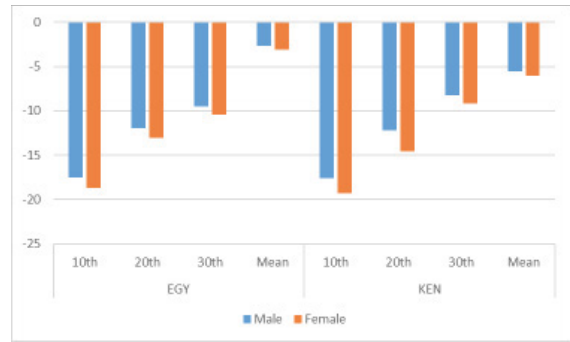


Figure 8: Impact on food security index (% change from baseline)

• Impact of mitigation policies

Different mitigation measures in both countries positively impact poverty headcount (FGT 1). However, there has been an increase in the severity of the poverty gap in Egypt (Figure 9). In Kenya, the mitigation measures positively influence all poverty indexes compared to the shock scenario (RUW) (Figure 10). The two mitigation measures, which have been implemented in reality in both countries (i.e., the Food Subsidy in Egypt and the Fuel Subsidy in Kenya), decrease slightly the poverty headcount index compared to the RUW scenario. However, the alternative gendered mitigation policies drive the headcount index even lower.



Figure 9: Change in poverty index in Egypt (% change from impact scenario)

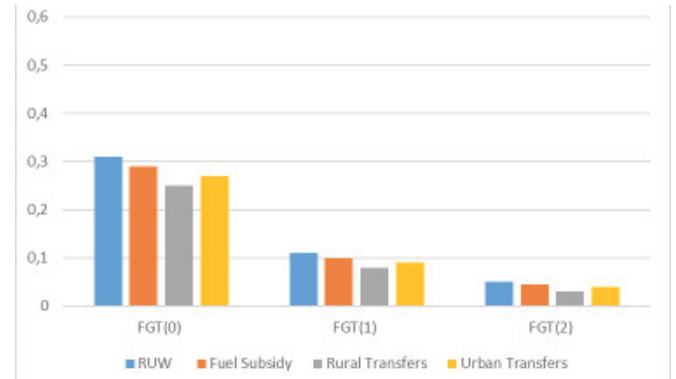


Figure 10: Change in poverty index in Kenya (% change from impact scenario)

Under the implemented scenario, household consumption improves slightly for men and women by less than 1 per cent. The alternative gender-oriented policies, representing cash transfers to households with poor women, significantly increase the consumption of male and female-headed households of the lowest three income categories, with a slightly higher increase for women (Figure 11 and Figure 12).

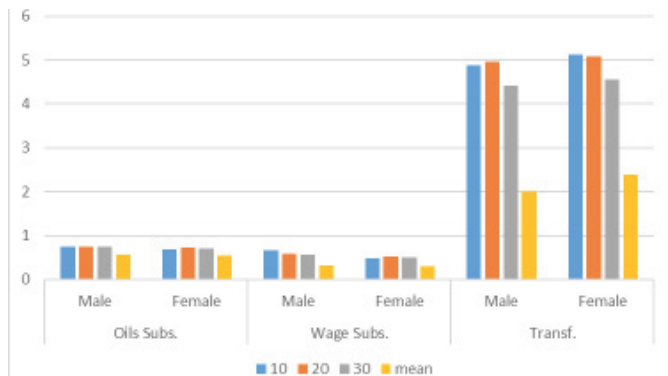


Figure 11: Change in food security index in Egypt (% change from impact scenario)

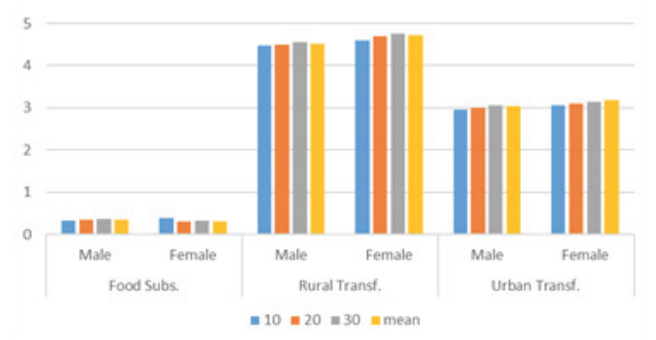


Figure 12: Change in food security index in Kenya (% change from impact scenario)

Policy implications

The model-based evidence resulting from the macro-micro analysis shows that the same trade shock, caused by the RUW, differently impacts both countries, Egypt and Kenya. Also, women in both countries are impacted differently than men. Thus, the countries require specific mitigation policies, as has already been applied in reality, such as food subsidies for Egypt, depending on cereal imports and suffering price increases, and fuel subsidies in Kenya, depending on fuel imports. These policies benefit all consumers similarly and do not specifically target women as a vulnerable group. Therefore, the improvement of women's consumption is not evident.

With gender-oriented policies, households with poor women are particularly targeted by cash transfers. The support focuses on the population, which indeed most needs the aid, instead of redistributing government money to undifferentiated overall population groups by commodity-attributed subsidies for food or fuels. As a result, the improvement of poverty headcount in Egypt and the poverty gap severity in Kenya, can be detected, compared to the implemented undifferentiated policies.

Designing effective and cost-efficient policies benefits from detailed and holistic ex-ante impact analysis, particularly with respect to vulnerable groups. After the COVID-19 crisis, many Southern countries faced limited fiscal space. Supporting women as a vulnerable population is an ethical mandate of governments and an important investment into women as human capital, an essential labour force in many sectors and care providers for the next generation of workers, the children. Thus, gender-oriented policies support economic growth in the short and in the long term. In times of poly-crisis (military conflicts, climate change and food and energy crises) and limited fiscal space, governments face the challenge of allocating public money as effectively as possible worldwide. Model-based assessments can support ex-ante assessments at relatively low costs to provide information on how to spend money better for the most vulnerable population.



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To find out more about the scientific research methods and findings, read the full [PEP working paper](#).

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