



Ebola Hampering Household Economies across Liberia and Sierra Leone

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Latest surveys point to declines in employment, food insecurity, and long-term welfare concerns. The socio-economic impacts of Ebola in Liberia and Sierra Leone are far-reaching and persistent, according to two new World Bank Group reports. Both countries continue to experience job losses, despite their differing health outlooks. These impacts have not been limited to the areas where infections have been the highest, which points to economy-wide slowdowns. As a result, many households have been forced to take short-term actions to cope, which can have substantial long-term effects on welfare. "The Ebola virus itself must be eradicated- this is the number one priority," said Ana Revenga, Senior Director for Poverty at the World Bank Group. "But its socio-economic side effects put the current and future prosperity of households in Liberia and Sierra Leone at high risk. We must pay careful attention to those who are most vulnerable to both health and economic shocks, and ensure that they are supported throughout and after the crisis." In order to capture the key socio-economic effects of Ebola, the World Bank Group and partners are undertaking high-frequency mobile phone surveys. In Liberia the surveys are conducted by the Gallup Organization in partnership with the Liberia Institute of Statistics and Geo-Information Services, and in Sierra Leone, the data collection is led by Statistics Sierra Leone in partnership with Innovations for Poverty Action. Liberia
The Liberian economy continues to shed jobs faster than they are replaced. According to the third round of the phone survey, nearly half of Liberian household heads remain out of work despite response-related jobs being created in the construction and health fields. The most recent job losses were predominantly among wage workers in urban areas, and come mainly from the private and non-governmental sectors. Contrary to those in the public sector, who continue to be paid despite being out of work, these newly unemployed represent lost income for households. Women are particularly vulnerable as the labor market stagnates, since they work disproportionately in the hard-hit non-farm self-employment sector. Of those working at the baseline, 60 percent of women are not currently working, compared with 40 percent of men; and, women have been consistently more likely to be out of work compared with men. There are new concerns about farmers ability to organize work teams given Ebola fears, reducing harvests. Among the households that had finished their harvest, over 80 percent reported that their harvest was smaller this year than last, and the main reason cited was an inability to work in groups due to the Ebola virus. This issue was also the main reason that the harvest was incomplete for the remainder of agricultural households. Food insecurity persists across the country, and households continue to report not having enough money to afford rice, regardless of price. About three-quarters of households indicated that they were worried at some point in the previous week that they would not have enough to eat. Around two-thirds of households responded that they were not able to purchase enough rice to meet their needs in the previous two weeks, and nearly 80 percent of those cited a lack of money as the main reason rather than availability or high prices. Rice prices continue to be 40 percent above the January baseline. Sierra Leone
In the first round of data collection, wage and non-farm self-employed workers saw the largest declines in employment in urban areas of Sierra Leone, with Ebola cited as one of the main reasons for not working. An estimated 9,000 wage workers and 170,000 self-employed workers outside of agriculture are no longer working since the July/August 2014 baseline. The percent of households engaged in a non-farm household enterprise that was no longer operating tripled from 4 to 12 percent and among those still operating these businesses, average revenue decreased by 40 percent. These job losses have been caused mainly by the indirect effects of necessary preventive measures to restrict disease spread and by the general disruption to the economy caused by the outbreak. No differences were found in labor impacts between quarantined and non-quarantined districts, further highlighting the importance of economy-wide indirect effects. Food insecurity is high as the harvest continues. There is no evidence thus far on negative impacts on agriculture due specifically to Ebola, but harvest activities are still ongoing and future rounds of data collection will track Ebola-related effects if and when they arise. There is some evidence of a decrease in utilization of health services for non-Ebola conditions in Freetown. In particular, a much lower proportion of women in the capital reported post-natal clinic visits than in 2013. In the rest of the country, however, there is little evidence of such a decline. "These high frequency surveys have been enormously helpful in bridging the gap between country-level growth analysis and the observations from those on the ground as part of the response," says Kristen Himelein, the World Bank Groups poverty economist for Liberia and Sierra Leone. "From a poverty perspective, we are particularly concerned about households being forced into coping strategies that may harm their long term prospects to improve welfare, and now we can follow this in almost real time." The continued mobile-phone surveys will allow for timely and robust monitoring of how Ebola is affecting economies and households in Liberia and Sierra Leone-with the aim of helping governments and other stakeholders address the most pressing socioeconomic issues as they arise and assist in planning for the eventual crisis recovery. The World Bank Groups Response to the Ebola Crisis
The World Bank Group is mobilizing nearly \$1 billion in financing for the countries hardest hit by the Ebola crisis. This includes \$518 million from IDA, the World Bank Groups fund for the poorest countries, for the emergency response, and at least \$450 million from IFC, a member of the World Bank Group, to enable trade, investment, and employment in Guinea, Liberia, and Sierra Leone. For more information: www.worldbank.org/ebola
This survey complements a previously released World Bank Group analysis showing that if Ebola continues to surge in the three worst-affected countries and spreads to neighboring countries, the two-year regional financial impact could reach \$32.6 billion by the end of 2015, dealing a potentially catastrophic blow to already fragile states. Media Contacts
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