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ECONOMIC AND SOCIAL RIGHTS

### SLIDE 1 TITLE

Thank you. I will cover one of the few human rights areas the Egyptian government likes to discuss: economic and social rights. In the last review Egypt accepted every single recommendation in that area, and they were numerous.

We, and many of you, are often accused of fixating on civil liberties and impunity while ignoring the “remarkable progress” made in socioeconomic rights. So I’m going to use facts and figures today to debunk that myth of “progress”.

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The four years under review witnessed an unprecedented erosion of the economic and social rights of Egyptians, resulting in impoverishment, worsening living standards, and a significant rise in inequality. The government blames this on pandemics and wars beyond its control, but there is near-unanimous agreement (joined

even by the IMF!) that these external factors simply exacerbated the impact of 10 years of economic mismanagement and anti-poor policies.

Surely, some positive measures have been recorded: a slow but incremental move towards universal health insurance coverage, a minimum wage raise, a new law on the rights of older persons, or new social protection schemes for irregular laborers.

Yet, the overall situation remains one of rising poverty, increasing inequalities, excessive foreign borrowing, inadequately-low social spending, and a particularly disproportionate impact on women and girls.

#### NEXT SLIDE 2

1. **Inequality:** The last four years have witnessed a continuing rise of economic inequality, with the richest 1% of the population receiving nearly half of the income and one-third of wealth, versus 18% of income and only 4% of wealth for the bottom half of the population. The Gini coefficient, which measures inequality, reached 0.77 for wealth and 0.57 for income, high levels globally and within the region.

#### NEXT SLIDE 3

2. **Poverty:** Three out of every ten Egyptians were poor, with another quarter of Egyptians on the brink of poverty, according to the latest government statistics in 2019. These are figures before COVID, the Ukraine war, and the ongoing genocide in Gaza, all of which have certainly led to higher poverty rates. Egypt has since refused to announce new national poverty figures, an unprecedented move criticized even by the IMF. The poverty rate is projected to reach four out of every 10 Egyptians in 2024, due to successive inflationary waves ensuing from repeated

devaluations of the local currency, social subsidy cuts (esp for food) and the continuing rise of energy and water prices. Two-thirds of wage earners in the private sector live below the poverty line. The World Bank estimates that more than 70% of Egyptians spend less than \$6.85 per day, which is below the national poverty line adjusted by inflation this year.

#### NEXT SLIDE 4

3. **External debt** increased by 75% over the last five years to \$168 billion, bringing the total state-guaranteed debt to about 158% of GDP, before dropping slightly to \$152.9 in June 2024. Debt installments and interest consume 62% of all public spending this year, crowding out social spending and thus generating millions of new poor citizens.
4. **Public spending on health and education** fell to record lows, reaching this year 1.2% for health and 1.7% for education of GDP, nearly half the allocations mandated in the 2014 Constitution.

#### NEXT SLIDE 5

5. The **impact on women's economic and social rights** has been disproportionately acute. Women's participation in the labor market has decreased over the last four years. Working women count for 4.2 million in 2022, compared to 5.2 million in 2014. Women account for 15.3% of the total employed population, yet they represent 47.6% of the unemployed. Egypt continued its descent in the labor market equality index, ranking 175 out of 190 economies. In 2023, the average wage for women in the private sector was below the minimum wage at the time. And for

the first time in decades, the last two years witnessed a decline in girls' enrollment in secondary education.

## NEXT SLIDE 6

To address this grave situations, the Government of Egypt must:

1. Increase budget allocations for social spending, particularly on health, education and social protection, which has decreased in real value over the last four years, in order to ensure that these allocations are adequate and meet constitutionally-mandated levels.
2. Conduct and publish an assessment of the socioeconomic impact of the two IMF programs implemented since 2016, to measure the effect of their austerity measures on poverty and inequality, especially for women and girls.
3. Launch an independent audit of public debt over the last 10 years, and develop a comprehensive plan for the transparent governance and restructuring of public debt service, which crowds out social spending and leads to the continued impoverishment of large sectors of the population.

## FINAL SLIDE 7