

Family Businesses in Egypt Fight to Stay Open Amid COVID-19 Woes. Egyptian streets. September 2020.

<https://egyptianstreets.com/2020/09/24/family-businesses-in-egypt-fight-to-stay-afloat-amid-covid-19-woes/>

Assistant Professor at the Department of Management at the American University in Cairo Ashraf Sheta said that the spectrum of family businesses affected locally is so wide, starting from small businesses like kiosks to large companies.

Family business-owners had to make firm decisions to deal with the implications of COVID-19 and to handle the crisis, which not only affected their business but also their families. “Members of a family business have close ties between one another. Strong bonds and relationships develop by time, unlike regular businesses, which makes it harder to make a decision that would affect the family as a whole,” Sheta explained.

One of the most difficult decisions Sheta mentioned was laying off personnel, because not only are they the company’s employees, they are family members too. According to Research Gate, family businesses worldwide are heavily impacted by corona crisis, however they would rather “eat into their own capital than lay off their personnel.”

In light of the decisions companies had to take due to the losses incurred, laying off comes at the top as well as cutting down salaries or wages. According to the Egyptian Labor Law, the employer, for economic necessities, shall have the right to close down the establishment wholly or partially, downsize it or reduce its activity which might affect the size of labor. Consequently, companies like Uber cut 40% of its staff in Egypt.

Out of different family business industries, Sheta said that the food and beverages industry was the most affected; either temporarily or permanently.