

An Uneven Recovery: Measuring the Pulse of the LAC Region following the Pandemic



Results from the
LAC High Frequency Phone Surveys
Phase II, Round 1 - 2021

November 2021



Latin America and the Caribbean

LAC High Frequency Phone Surveys

Phase II, Round 1 - 2021

Main Messages



Main messages (I)

- The average regional level of employment is still below pre-pandemic levels but the quality of jobs available has declined. On average, the number of hours worked per week is 14 percent lower than before the pandemic.
- Almost 50 percent of households are still unable to recover their pre-pandemic total income level, despite support from governments in the form of transfers (both regular and emergency one) and increases in private transfers.
- Declines in the availability of jobs affected all, but the recovery has been slower for women (especially mothers), younger workers and those with lower levels of education/skills.
- In fact, a year into the pandemic, women are twice as likely than men to have stopped working. This went hand in hand with an increase in domestic responsibilities, particularly the supervision of children's educational activities.



Main messages (II)

- Food insecurity remains a concern. Even though access to food has improved compared to May/June 2020, large segments of the population in the region still face food related deprivations. The proportion of households that ran out of food in the last month is 12 pp higher compared to before the pandemic.
- Engagement in some form of educational activity in the region is 12 pp below the attendance rate before the pandemic. In addition, the level and type of engagement varies substantially between and within countries.
- Access to general health services has gone back to pre-pandemic levels, but vaccination hesitancy remains a cause for concern. This is particularly true for countries in the Caribbean, rural households across the entire region, and those with low education levels.
- The pandemic has incentivized the use of mobile wallets across the region, though usage rates are still low. The use of digital transactions (both mobile banking and e-commerce) also increased, signaling the importance of digital technologies to stay economically connected and/or to receive monetary support.



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High Frequency Phone Surveys

Effort to Date



The LAC-HFPS is part of a global effort to better understand the effects of the pandemic

- Phase I: collected by the **WB** during **2020** in 3 waves (May, June/July and August). Included 13 countries, with an average of 800 obs. per wave per country.
- Phase II: implemented **jointly with UNDP**. Collected during **2021** in 2 waves. Includes 24 countries.
- First wave: collected between **May and July** (Brazil was collected in **August/September**)
 - Average of 1,200 obs. per country.
 - Average of 24 days in the field per country.
- Second wave: (underway) collected between **October and December**.



Follows a robust methodology to provide high quality data

- A Random Digital Dial (RDD) methodology was used to draw a representative sample by country of the **population +18 with a phone**.
- The survey was conducted over the phone, with a duration of 25 mins, and strict protocols guarantee the quality of the data.
- Phase II is revisiting a subset of the same households in 12 countries of Phase I: average response rate of about 30%.
- Financial contributions from several partners:



CARIBBEAN REGIONAL RESILIENCE BUILDING FACILITY



GFDRR
Global Facility for Disaster Reduction and Recovery



WORLD BANK GROUP



Phase II adds 11 countries, including Brazil and several Caribbean countries



Phase I - 2020
13 countries (three rounds)



Phase II - 2021
24 countries (two rounds)

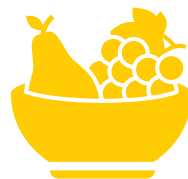


The LAC-HFPS gathers data to assess the impacts of COVID-19 along several dimensions of household welfare



Respondent's characteristics

Food security



Labor market and income changes

Gender



Health

Education



Household demographics

Digital and Finance





The LAC-HFPS is based on a new multipurpose tool that provides insights to internal and external users/audiences

1

Solid approach

Ability to analyze dynamics
(**pre-pandemic and current information**)

Nationally representative of
+18 population with phones

2

Strong value added

Ability to monitor multiple dimension of pandemic impacts over time (**multi-topic repeated cross sectional data**)

Standardized and tailored questionnaire allow for both cross-country (harmonized) and country-specific analytics

3

Cross-collaboration with other sectors

Development economists/practitioners
Education
Health, Nutrition & Population
Urban, Disaster Risk, Resilience and Land
Social Development
Digital and Finance



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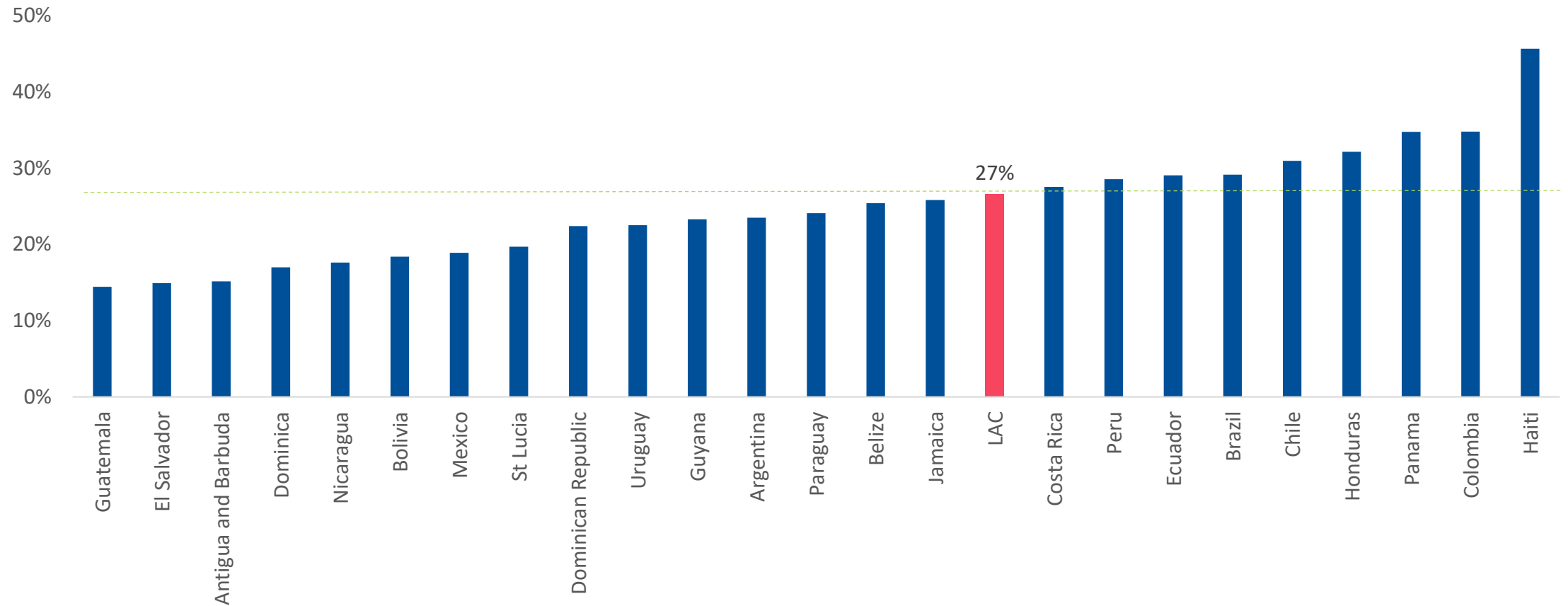
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Labor Markets



More than 1 in 4 people in the region did not recover employment by June 2021.

Share of employed population pre pandemic that lost their job (18+)

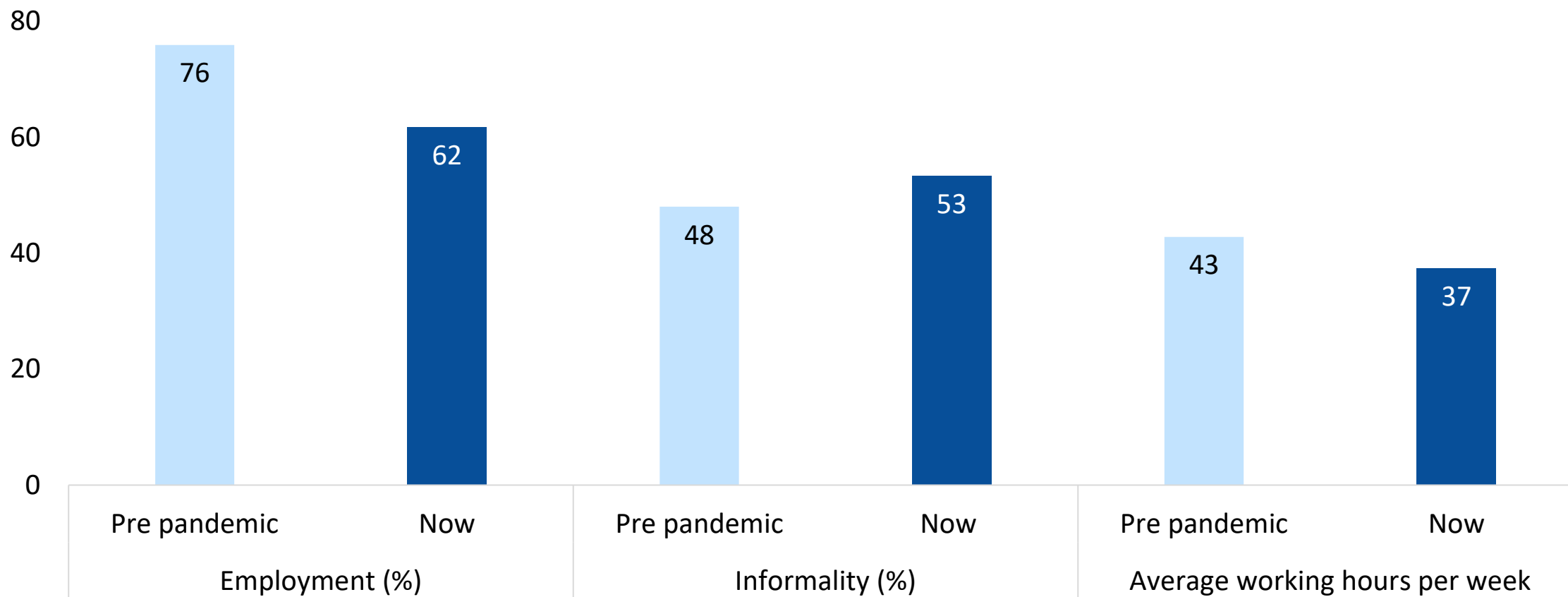


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



The pandemic brought less employment, more informality, and the current employees work fewer hours.

Employment, informality, and number of working hours pre pandemic and today (LAC Average)

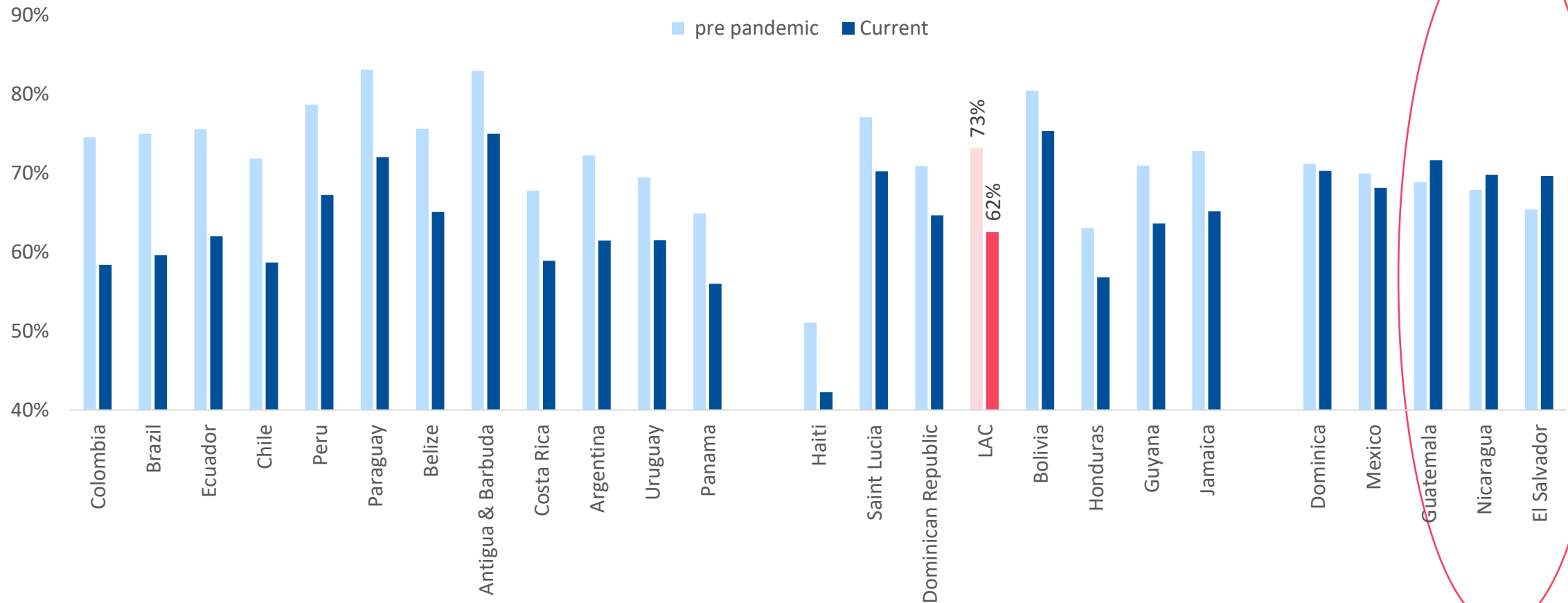


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



The average regional level of employment is still below pre-pandemic levels. With some notable exceptions of full recovery and higher levels than before.

Employment to population ratio (18+ years old)

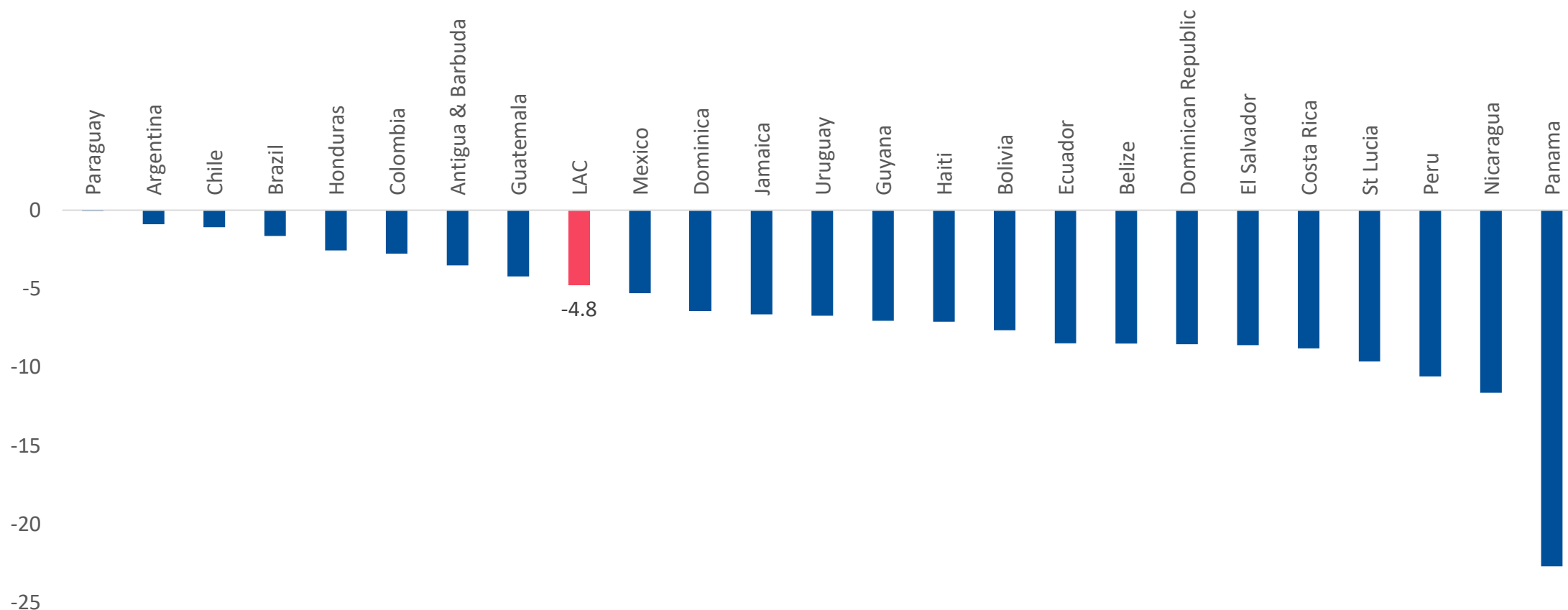


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



But this does not mean that workers went back/remained in the same jobs. In fact, the quality of jobs deteriorated...

Change in the share of formal employment (pp)
HFPS-II vs. pre pandemic

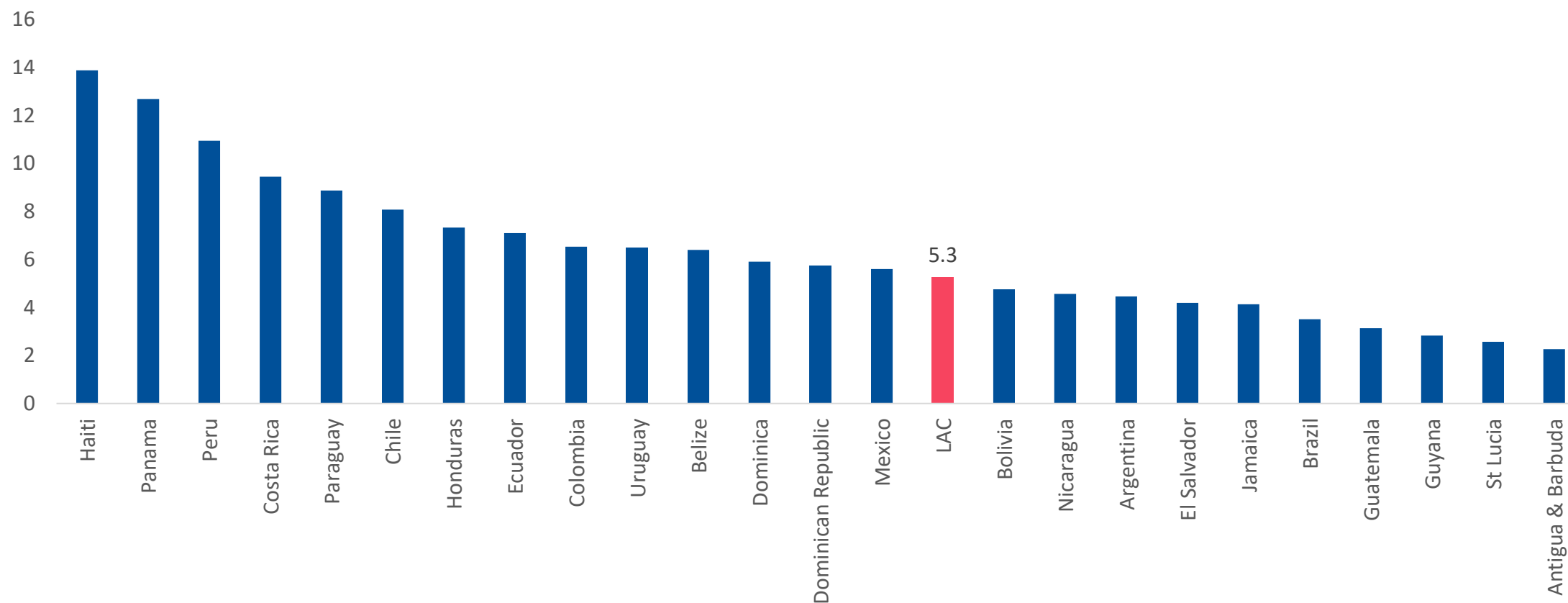


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



And many workers went back to the labor market to work in self-employment activities (mostly in the informal sector).

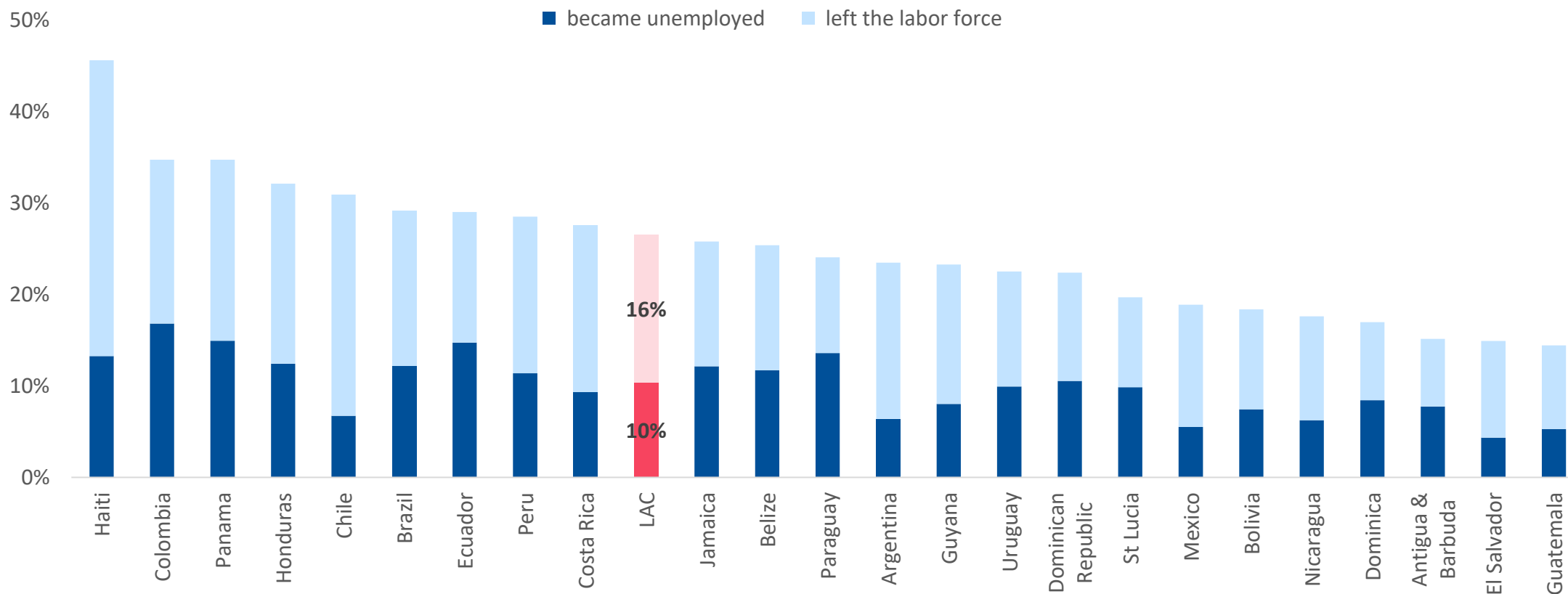
Change in the share of self-employment (pp)
HFPS-II vs. pre pandemic



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

Many workers left the labor force altogether after becoming unemployed, leading to reductions in the size of the available workforce.

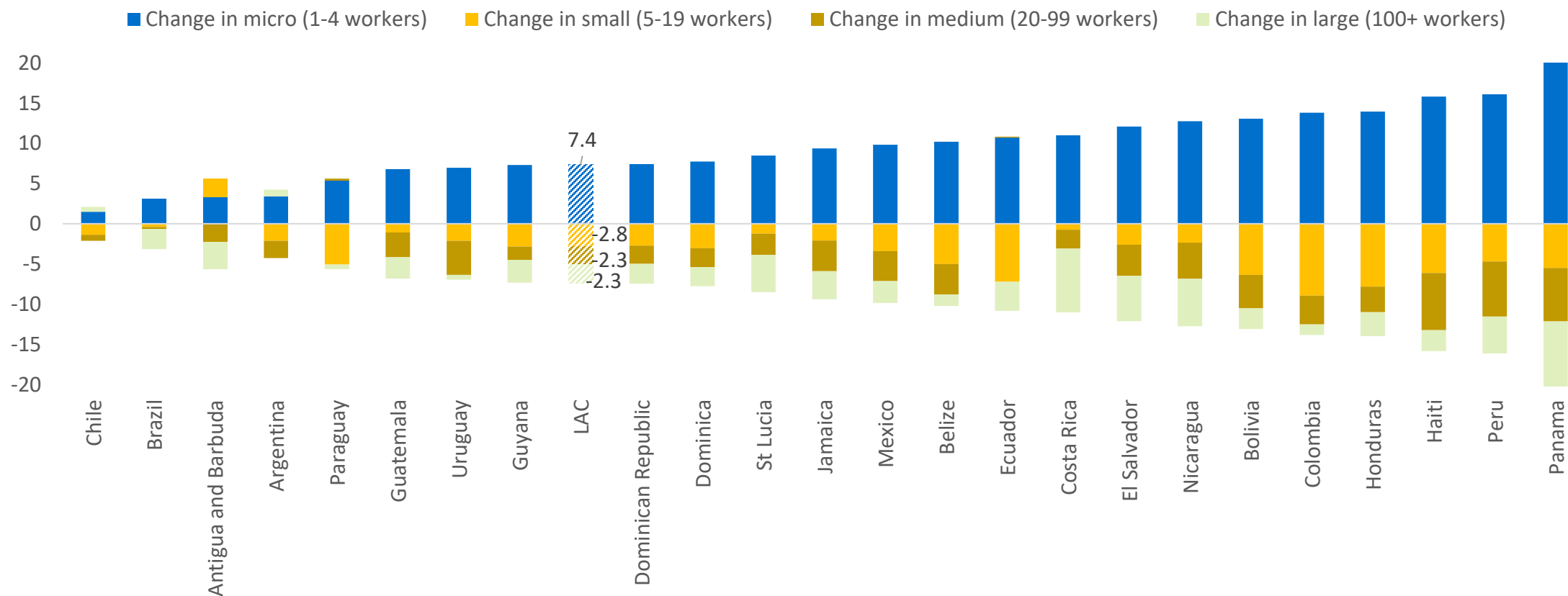
Share of people that were employed pre-pandemic and became unemployed or left the labor force (18+)



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

A large segment of the workforce moved from working in larger firms to small and micro firms (with lower productivity).

Change in the share of employment by size of establishment (pp)
HFPS-II vs. pre-pandemic

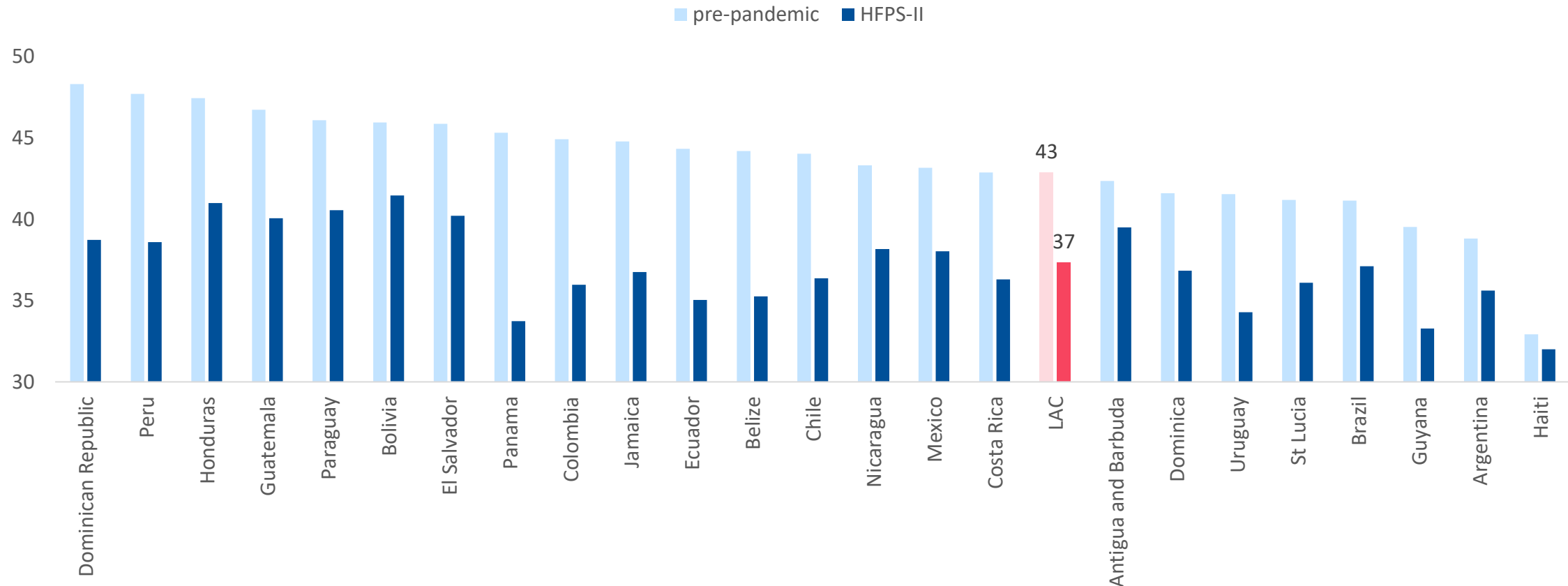


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



There has also been a significant decline (14 percent) in the number of hours that people are working... whether it is a choice or a necessity.

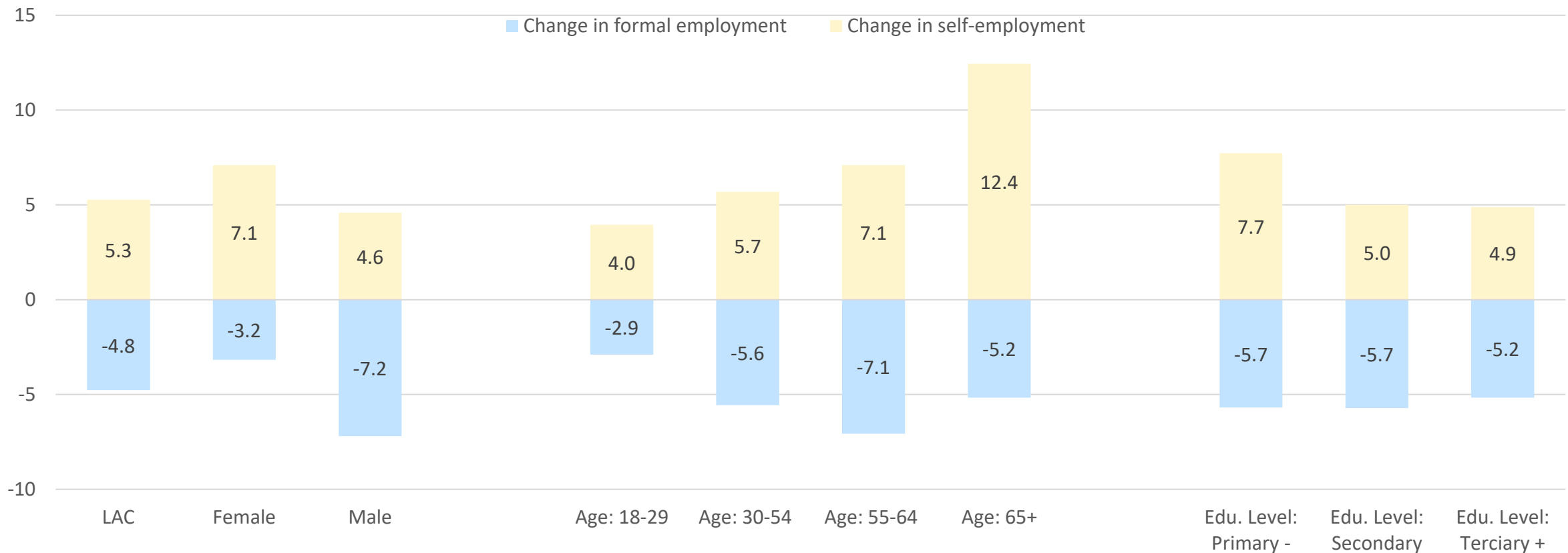
Average working hours per week
HFPS-II vs. pre-pandemic



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

Traditionally vulnerable groups: women, older workers and people with lower education levels have experienced an increase in self-employment.

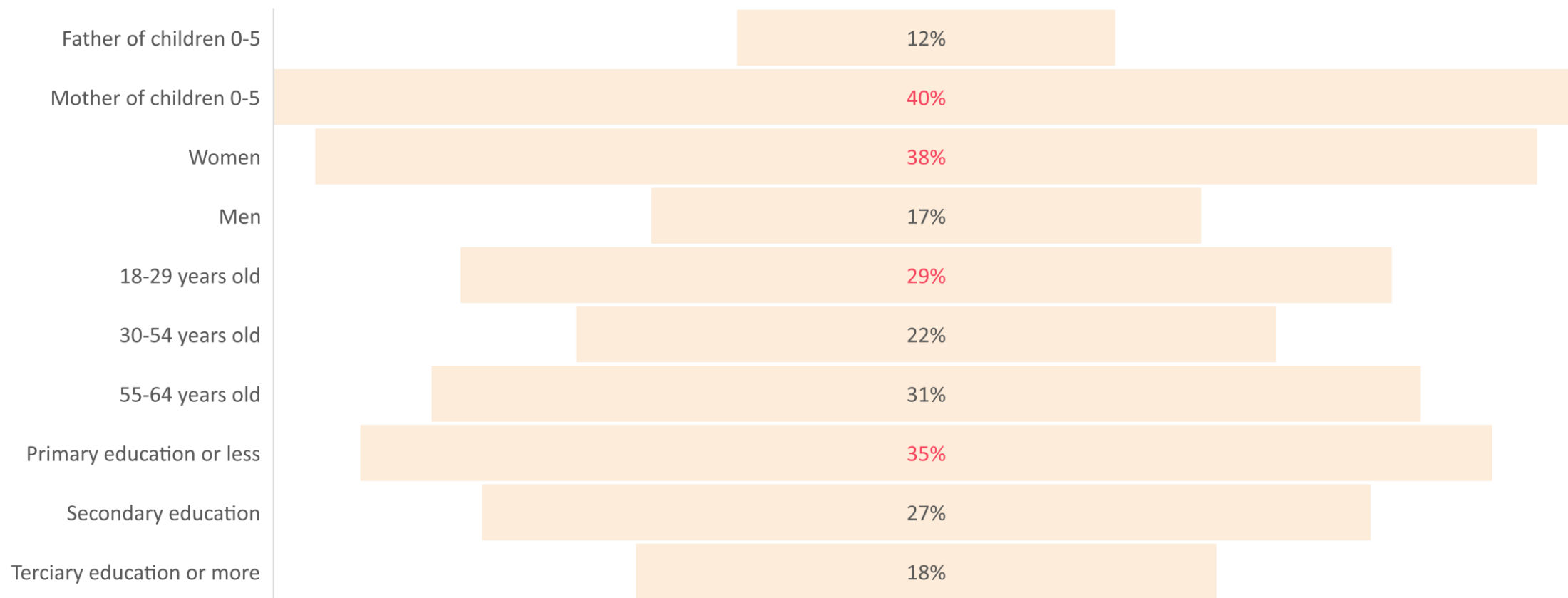
Change in the share of formal employment and self-employment by population groups (pp)
HFPS-II vs. pre-pandemic



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

Women, older workers and people with lower educational attainment were most likely to lose their job.

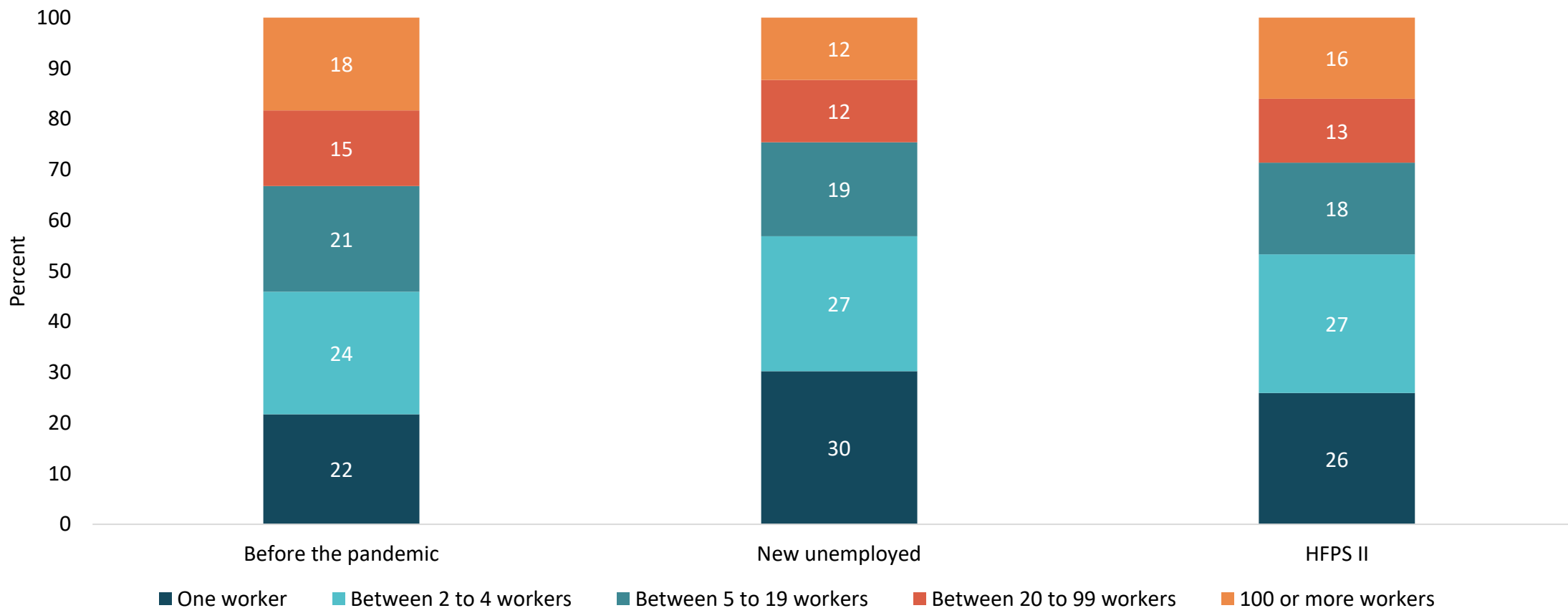
Share of population who lost their job among those employed pre pandemic (18+) by population groups
LAC average



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

Destruction and creation of new jobs are concentrated in small firms, with less than five employees.

Share of workers in each firm size (pre pandemic, new unemployed and now)



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



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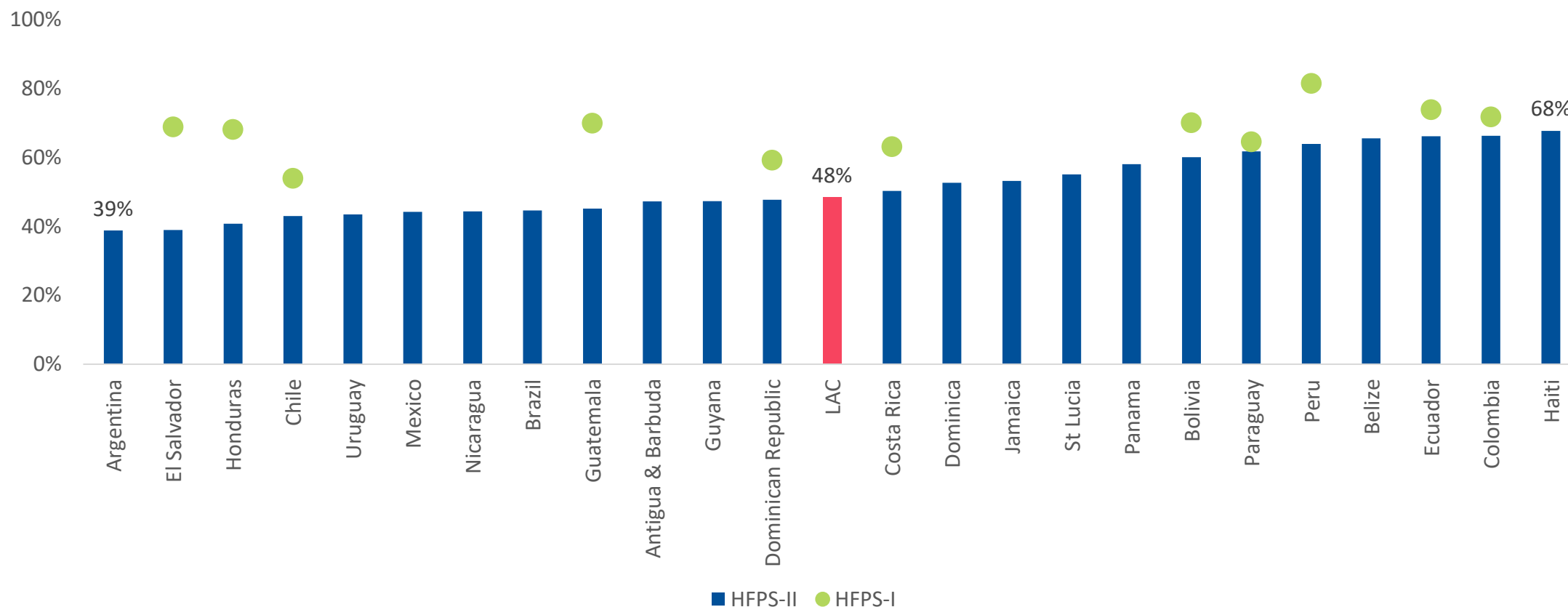
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Income and Food Insecurity

Close to 50 percent of households are still unable to recover pre-pandemic (total) income levels...

Share of households that report a reduction in total income since the onset of the pandemic (HFPS I and HFPS II)

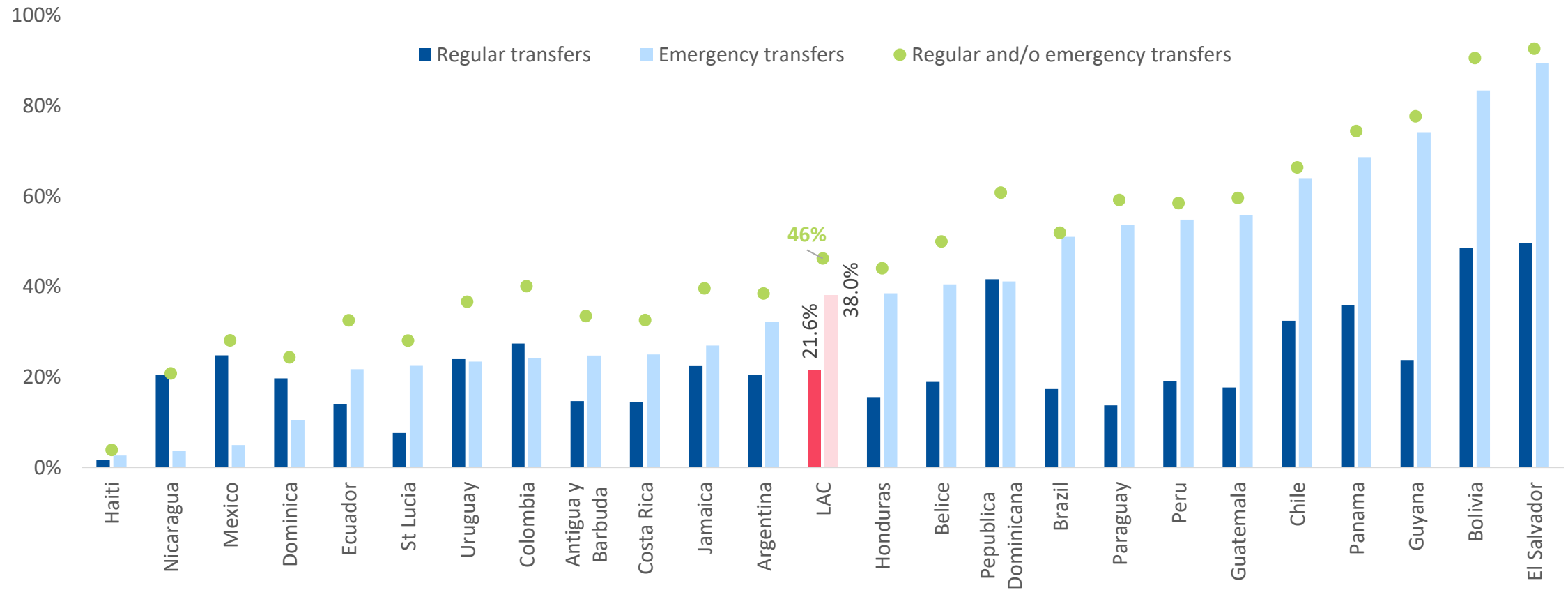


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



...despite receiving government support in the form of regular and emergency government transfers.

Share of households that received regular and emergency government transfers during the pandemic

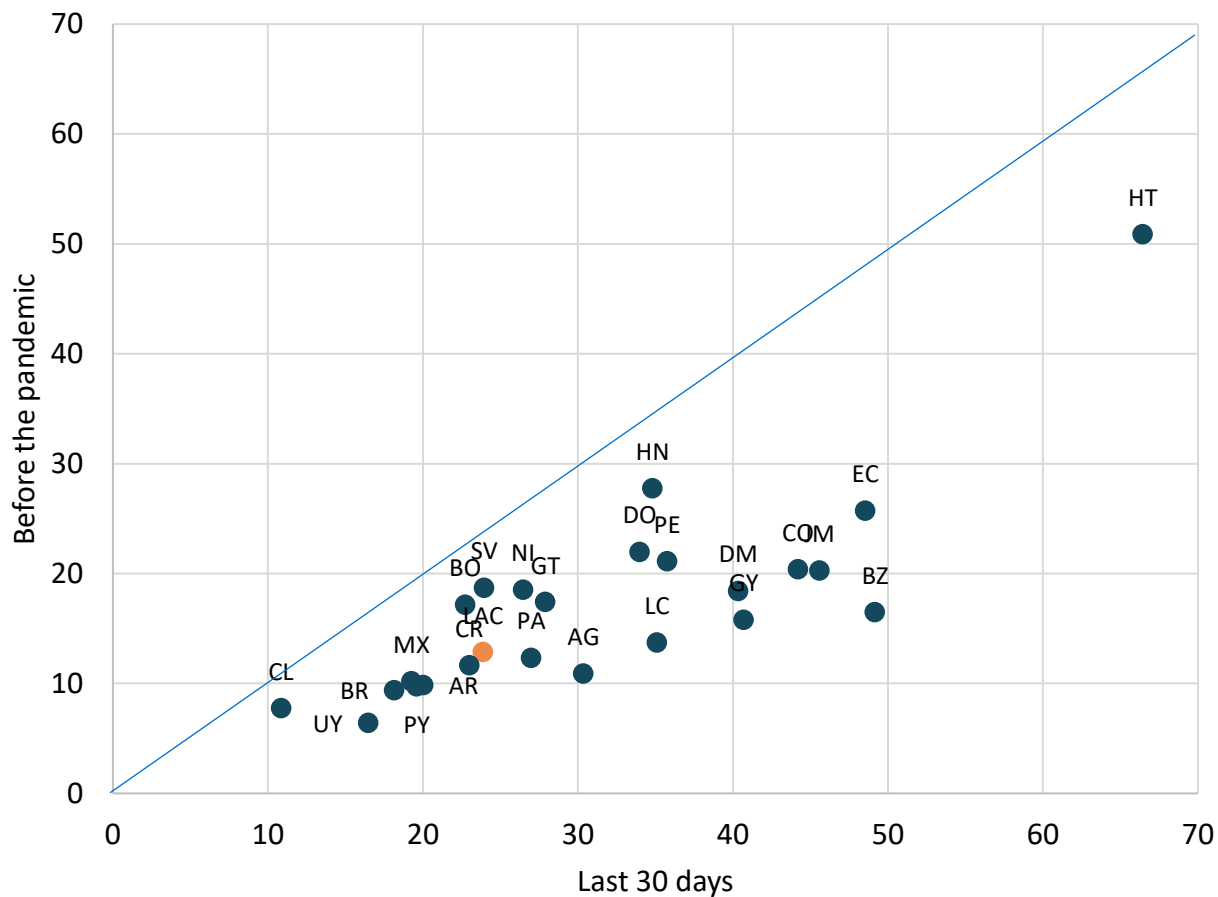


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.
 Note: For Brazil, regular transfers include the *Auxilio Emergencial* transfer.



During the pandemic, food insecurity almost doubled, 24% of households ran out of food due to lack of money.

Share of households that ran out of food in the last 30 days, before 2020 and now

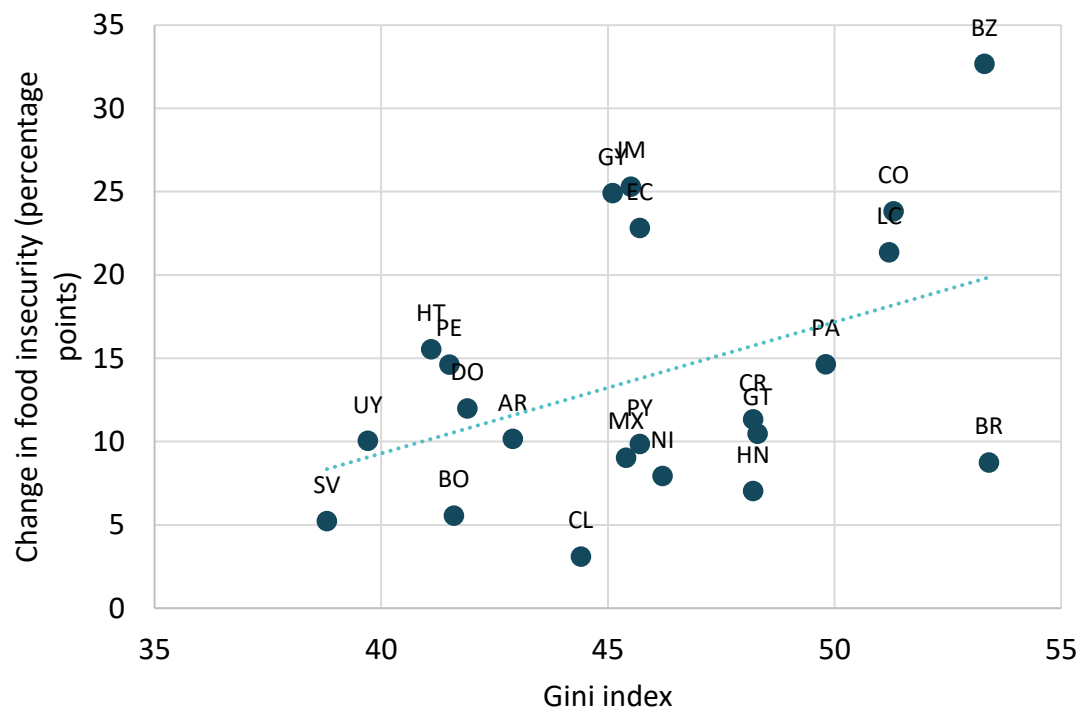


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

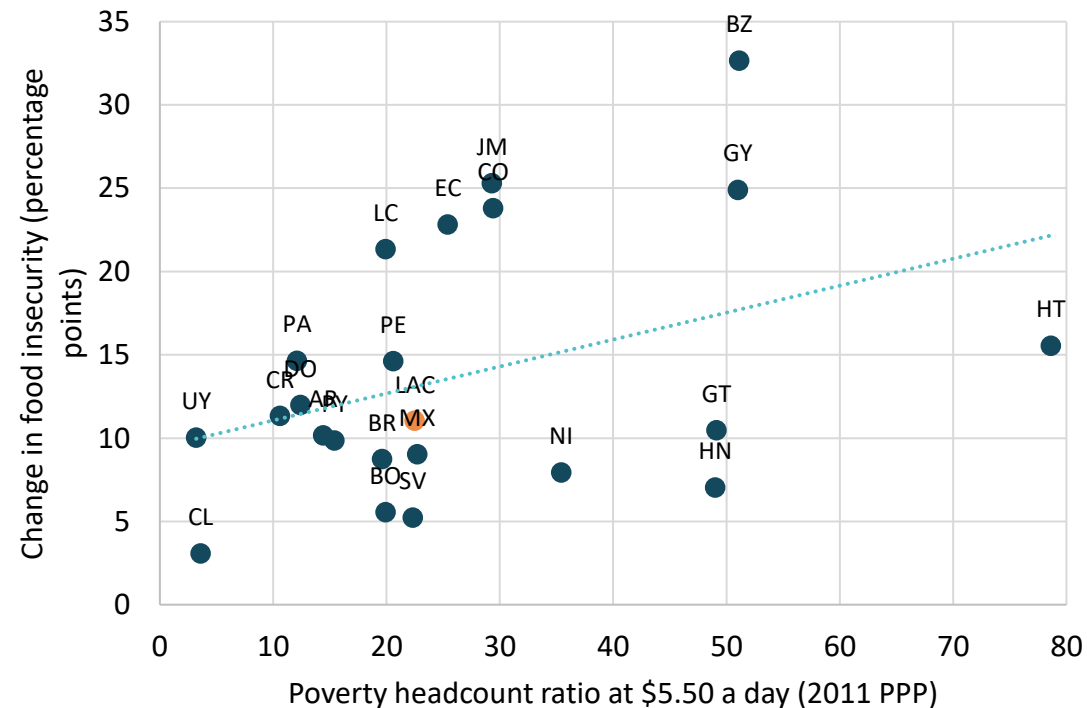


Countries with higher inequality and poverty experienced the largest increases in food insecurity.

Inequality vs. Food Insecurity



Poverty vs. Food Insecurity



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



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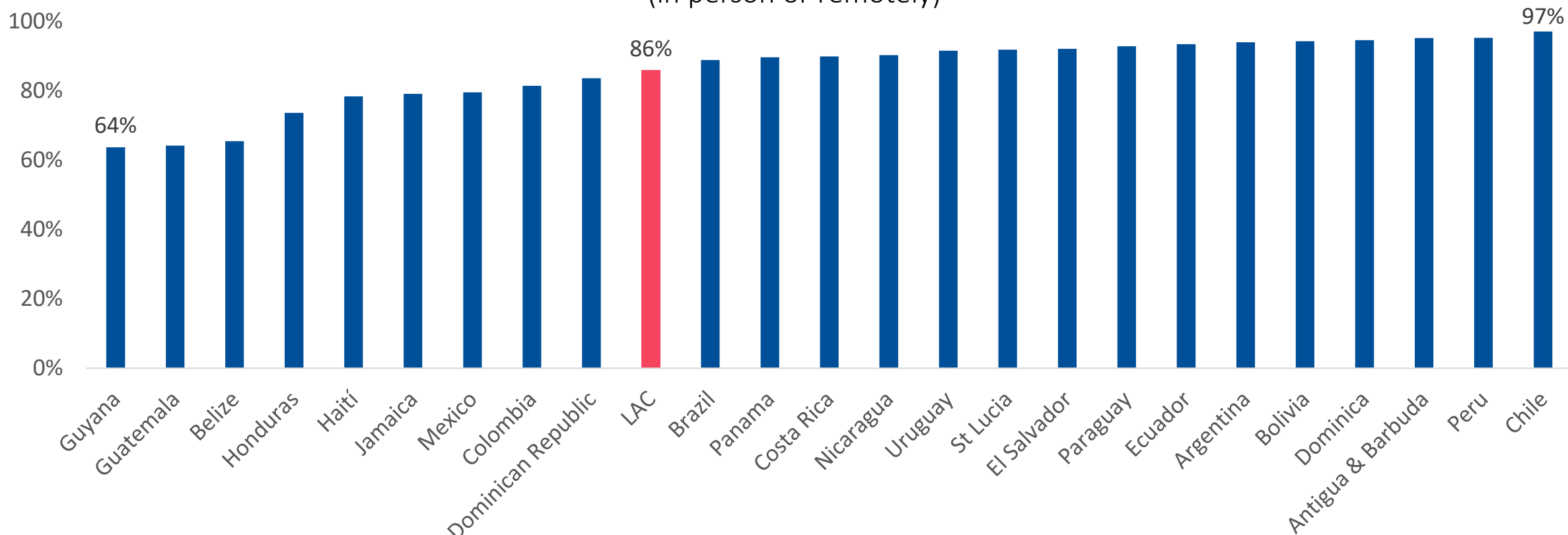
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Education



Most children are engaged in some form of educational activity in the region, but the percentage varies considerably across countries.

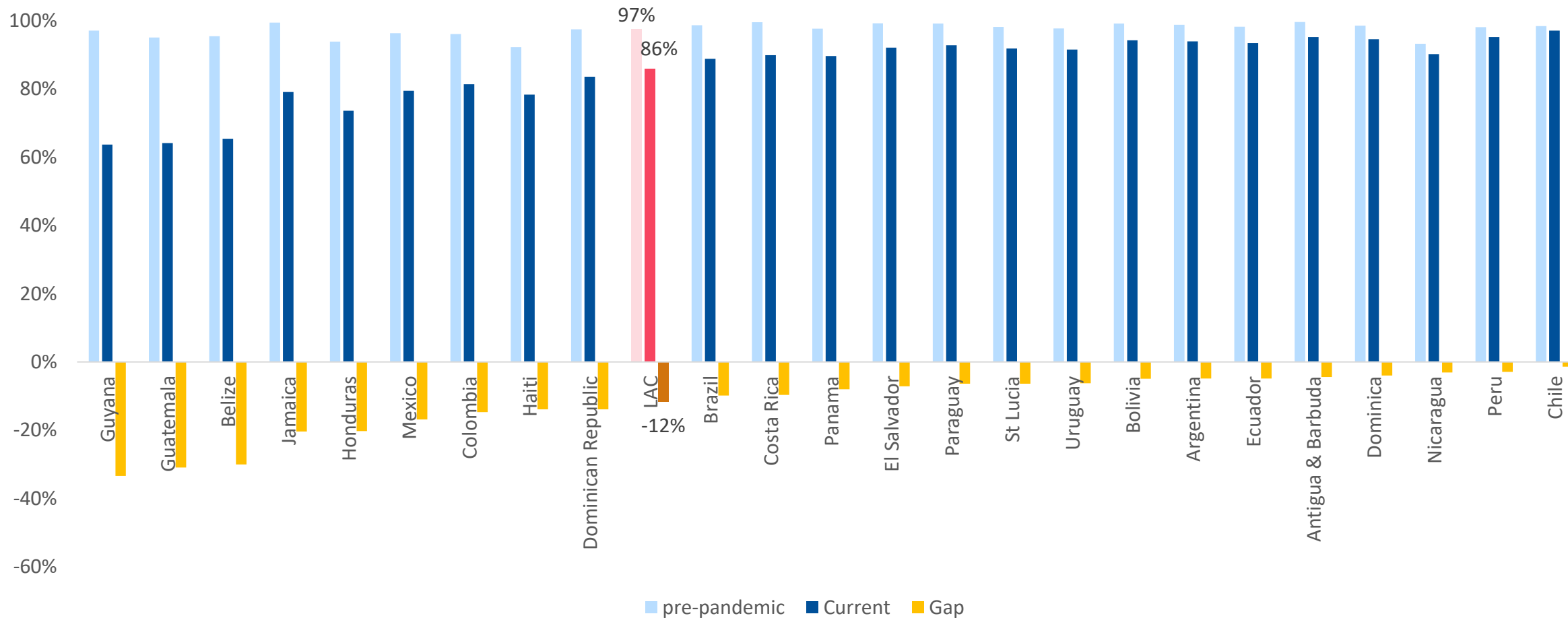
Share of school-age children engaged in some form of education activities (in person or remotely)



Note: We define children engaged in school as those who: i. report they attend face-to-face classes; ii. carry out activities at home ; iii. not attend face-to-face classes because they were on vacation, or it was not her/his turn; and iv. not carry out activities at home because they were on vacation, the teacher did not leave homework or participated in face-to-face classes

Many countries are still lagging in having kids engaged in some form of schooling, compared to before the pandemic

Share of kids in school age engaged in school and change in school engagement

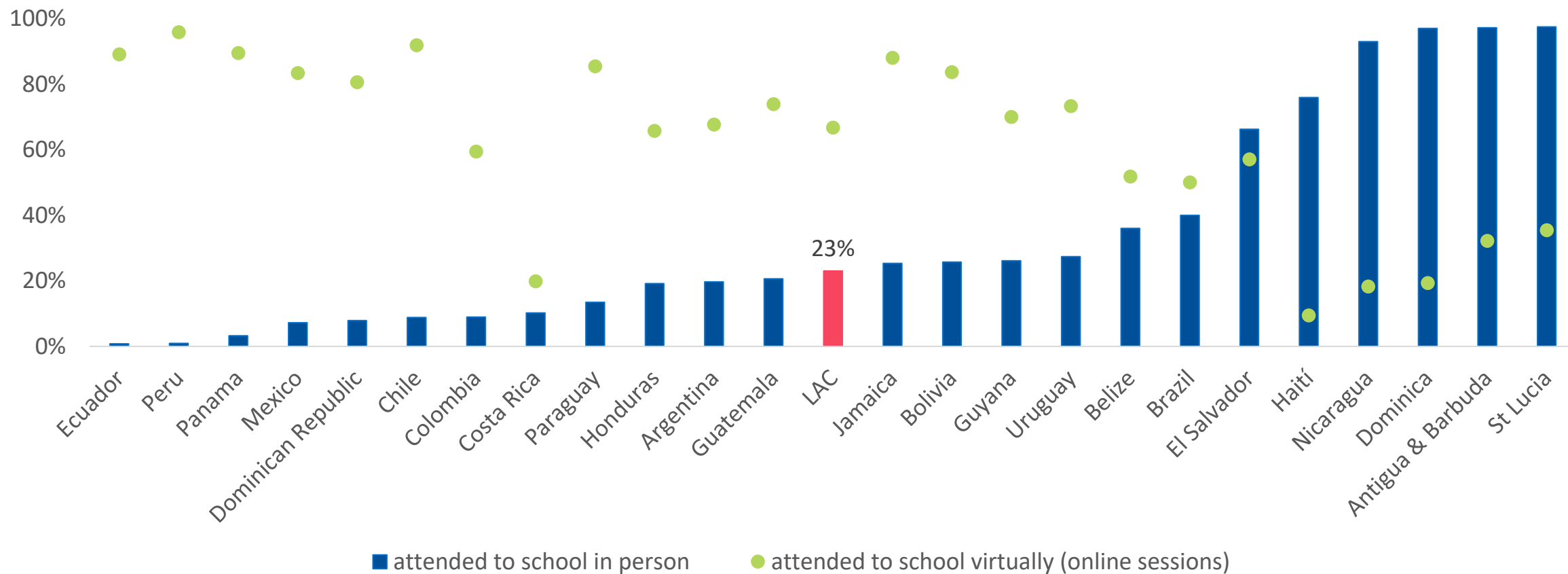


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



More than a year into the pandemic, only one-fourth of students attend school in person. Others do so virtually or not at all.

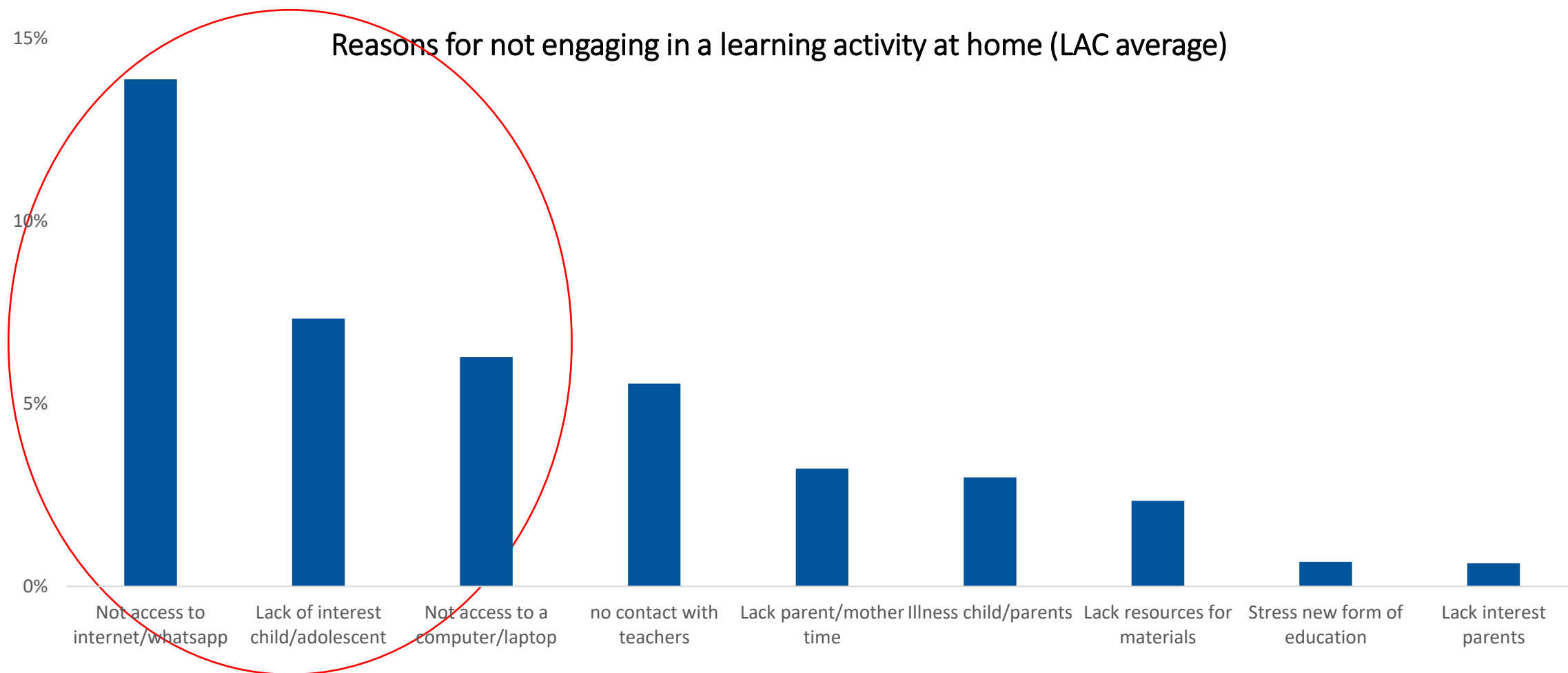
Share of school-age children engaged in some form of education activities (in person/virtually)



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Lack of access to the internet and/or IT equipment are among most important reasons for not being engaged in remote learning.

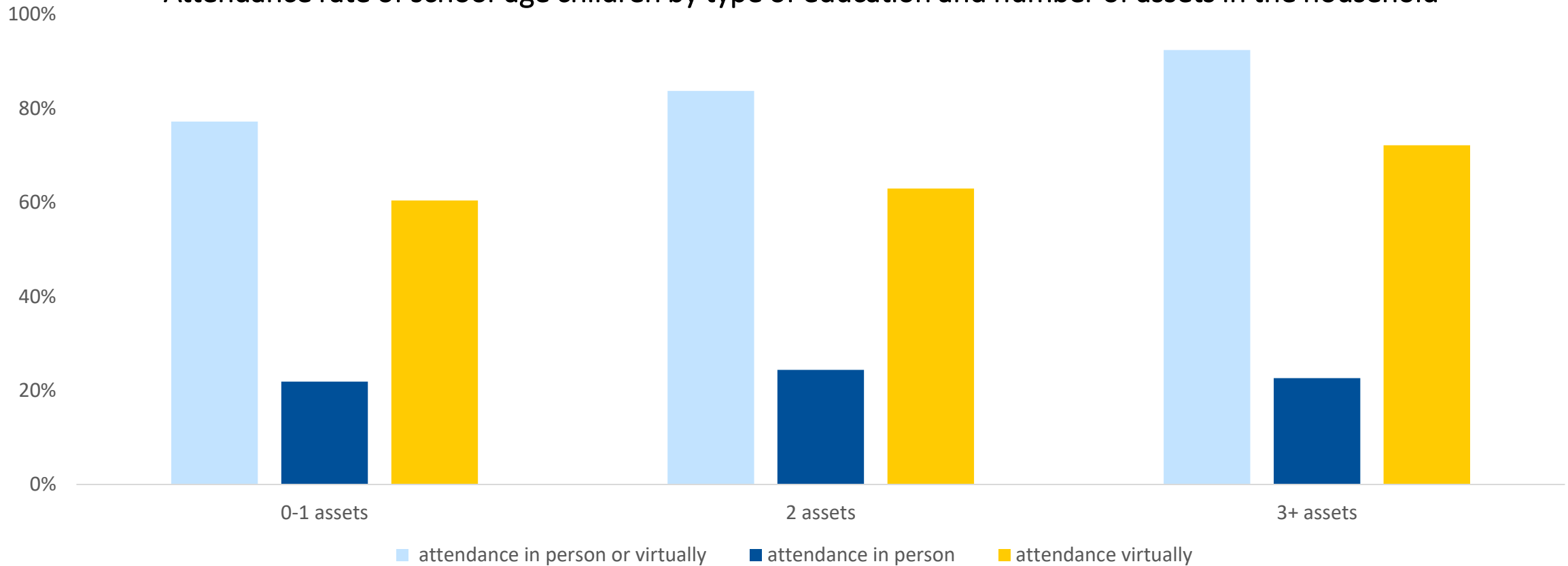


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Children in wealthier households are more likely to be engaged in schooling, but their attendance is also mostly virtual. Is the quality of the content and delivery comparable?

Attendance rate of school-age children by type of education and number of assets in the household



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



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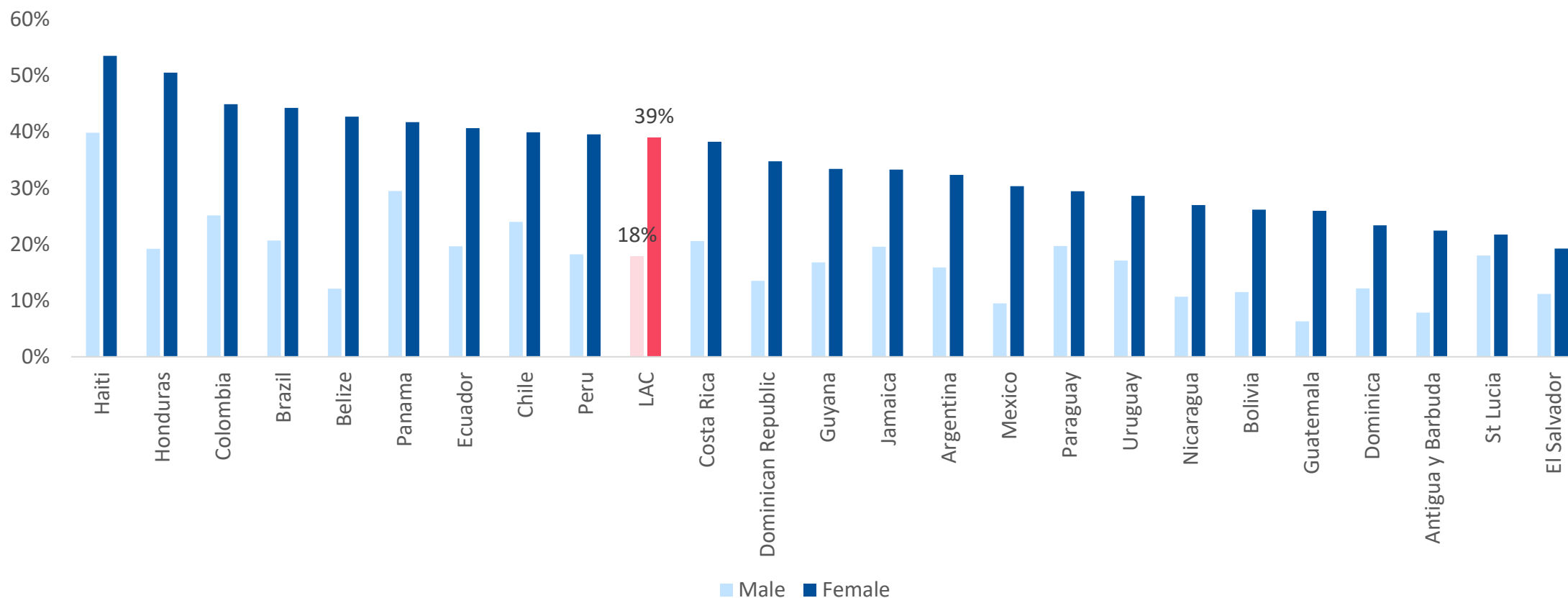
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Gender



Gaps between men and women are observed for **all** countries in LAC

Population 18+ with pre-pandemic employment that report not having a job at the time of the survey, by country and gender

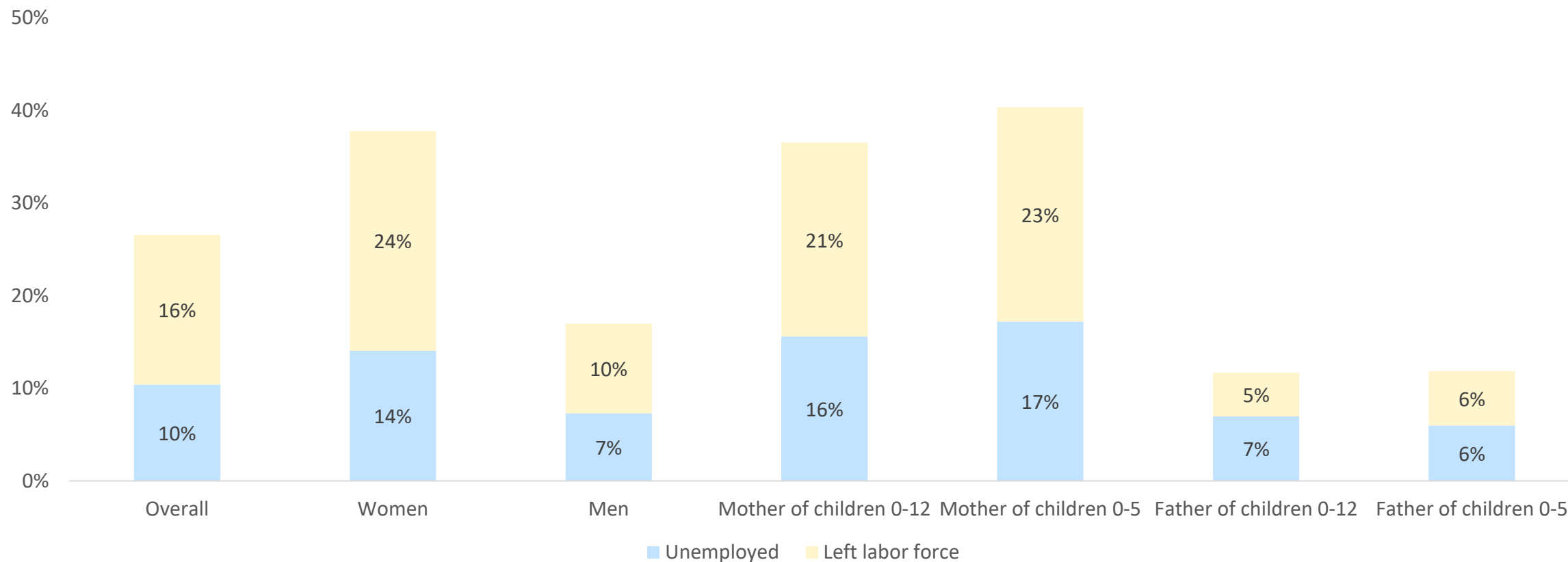


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Women are twice as likely to have lost their jobs compared to men. And over half left the labor force altogether.

Population 18+ with pre-pandemic employment that reports not having a job at the time of the survey (LAC average)

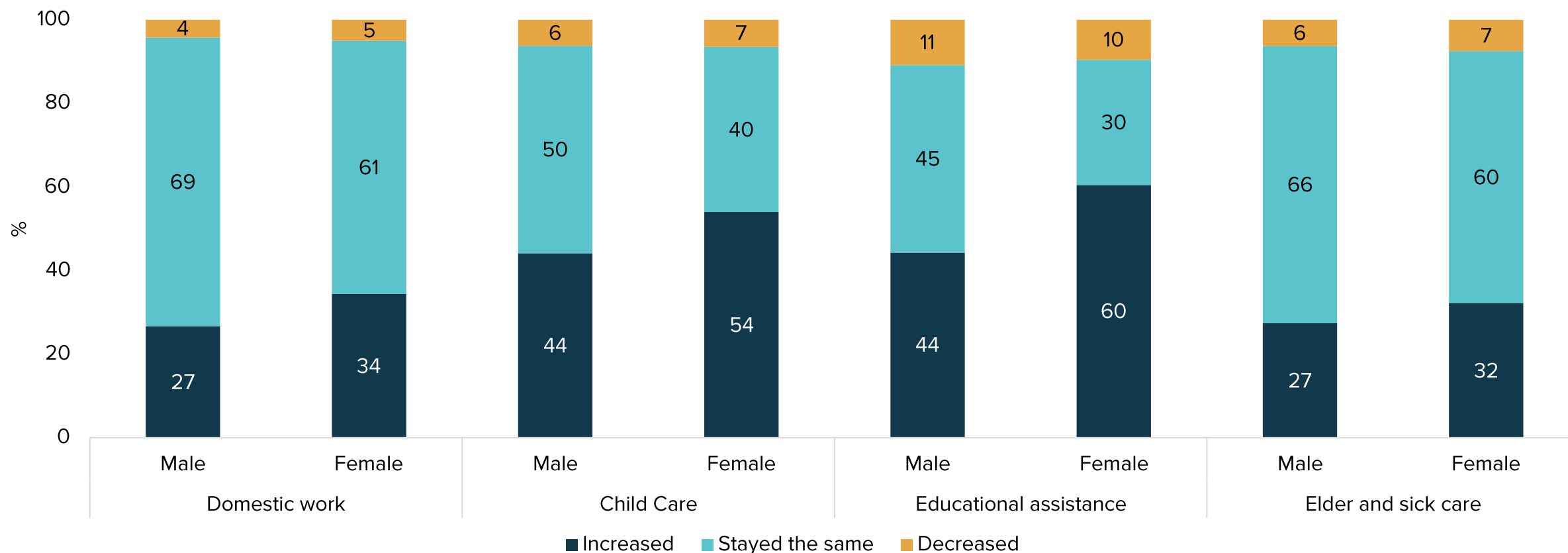


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



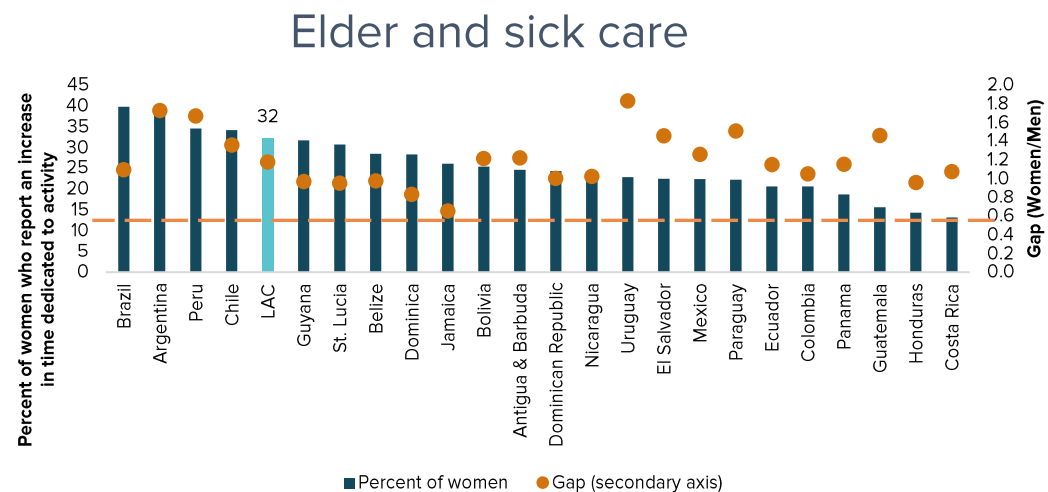
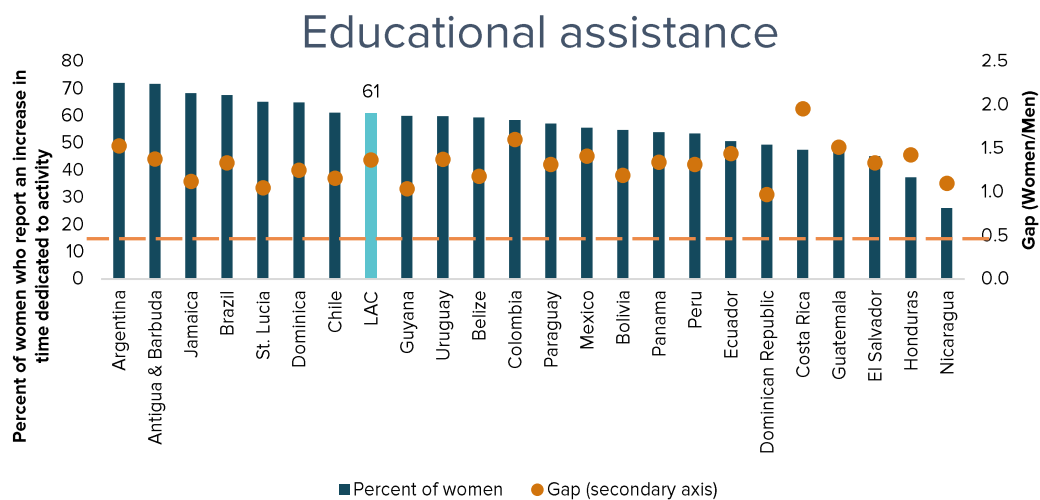
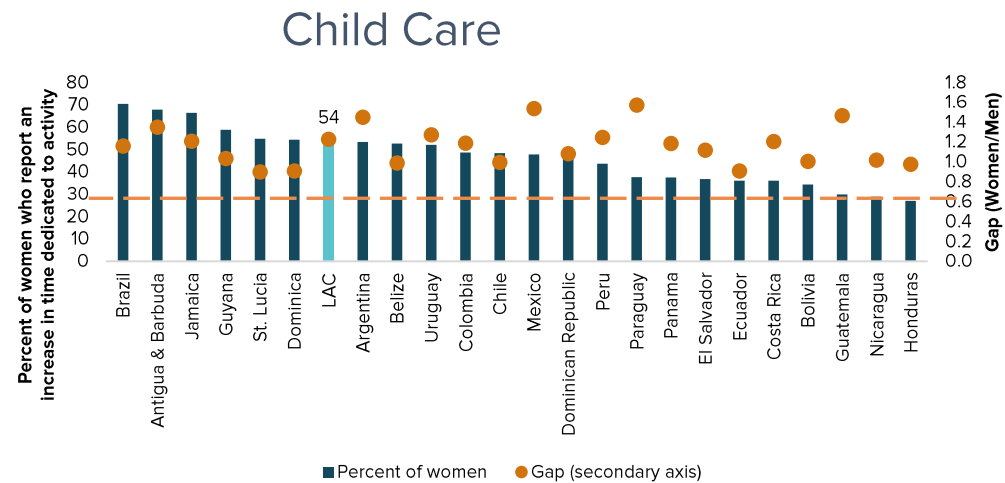
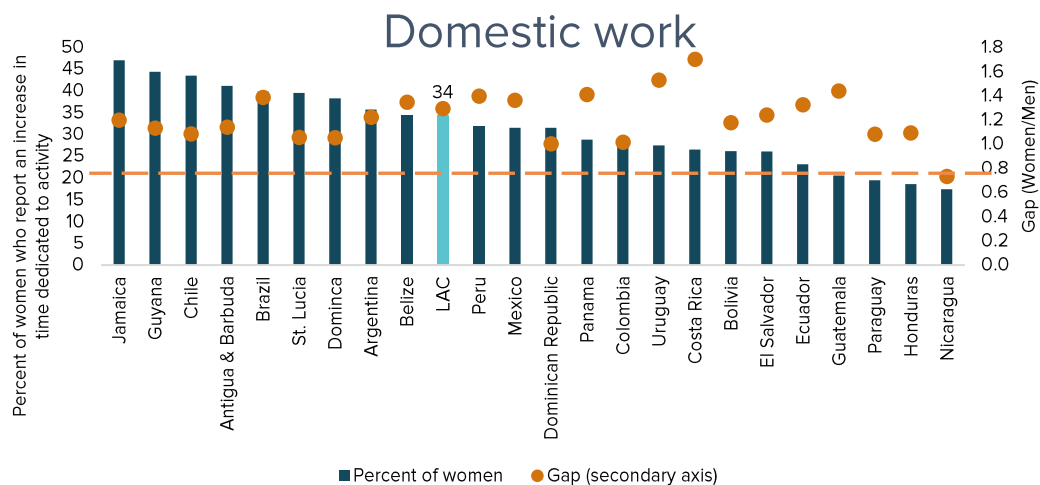
During the pandemic, unpaid care and domestic work has increased more for women than for men.

Population 18+ that reports increases in domestic responsibilities, men and women



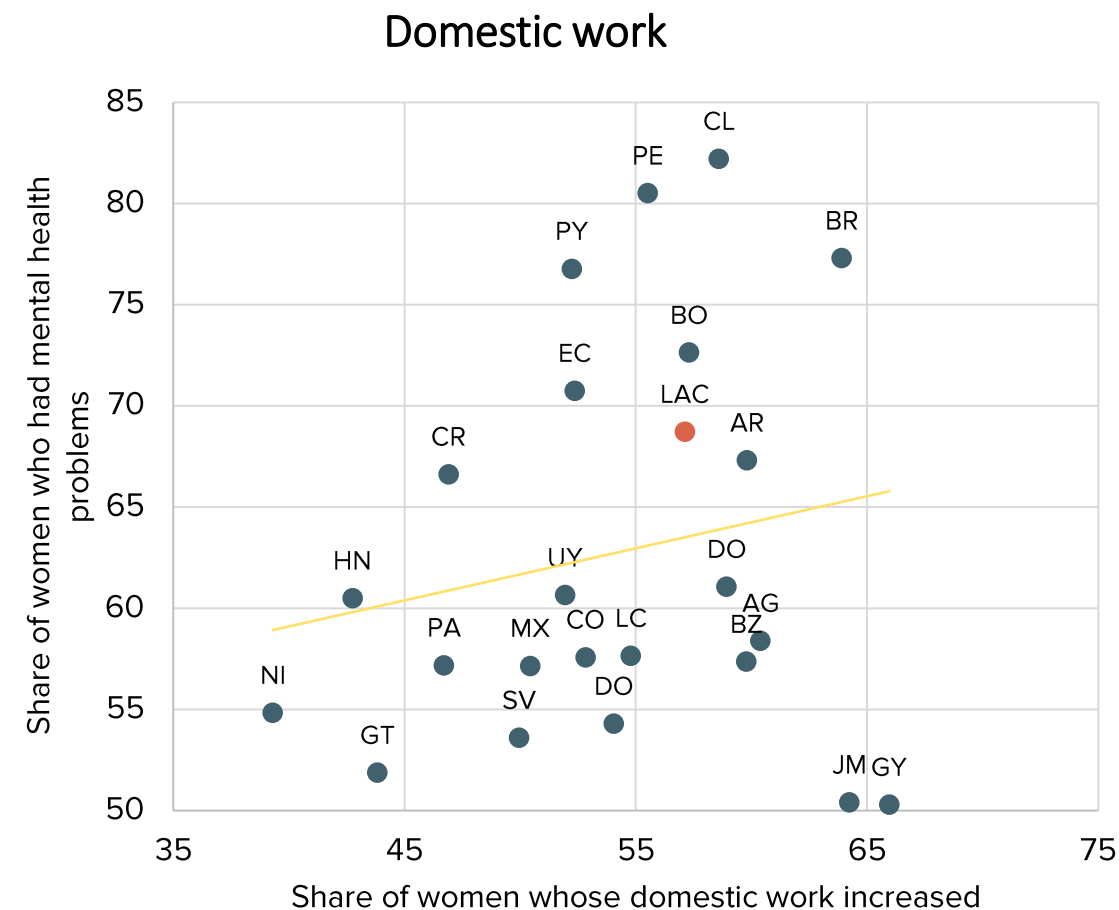
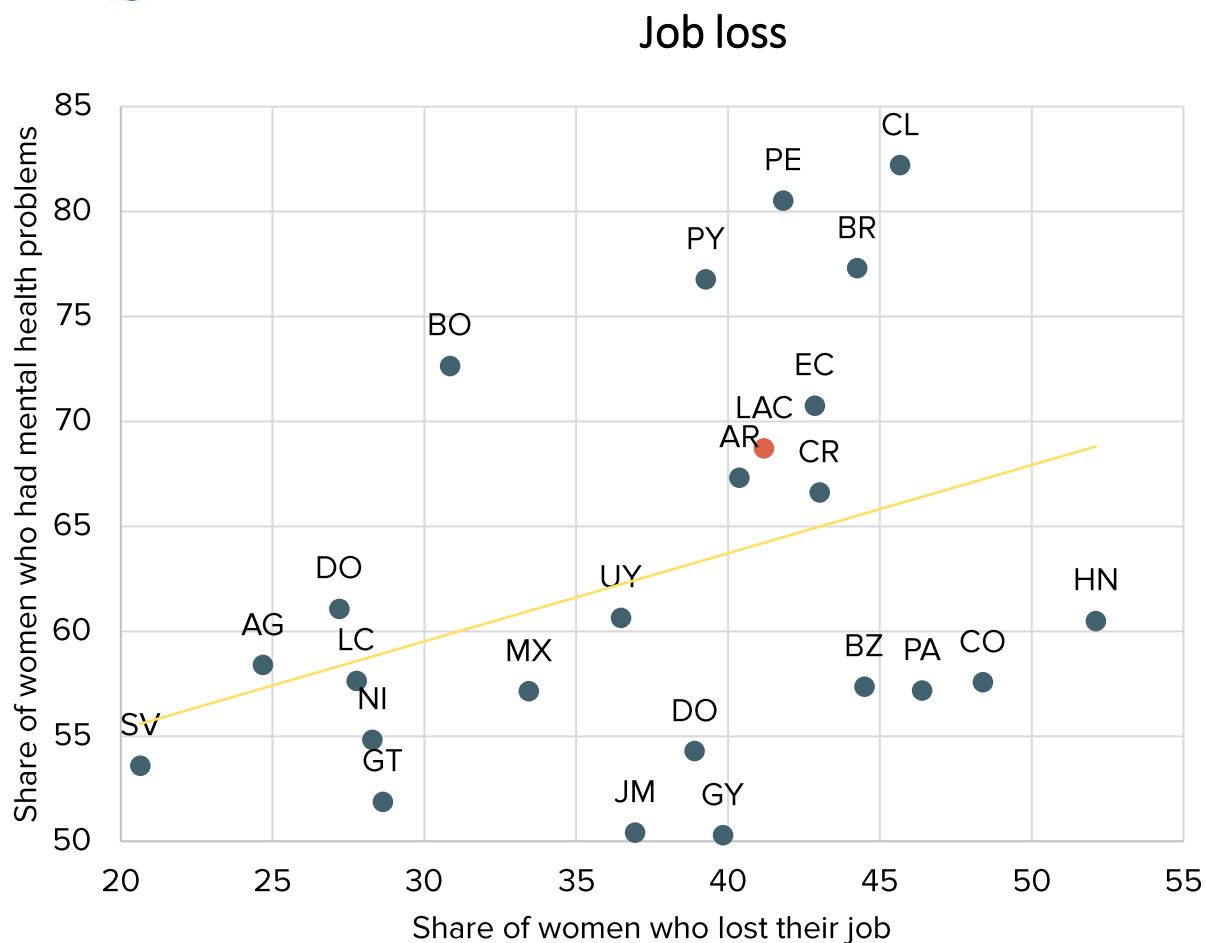
Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

Particularly supervision to children's educational activities.





Job losses and increased unpaid domestic work are associated with greater mental health problems.



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



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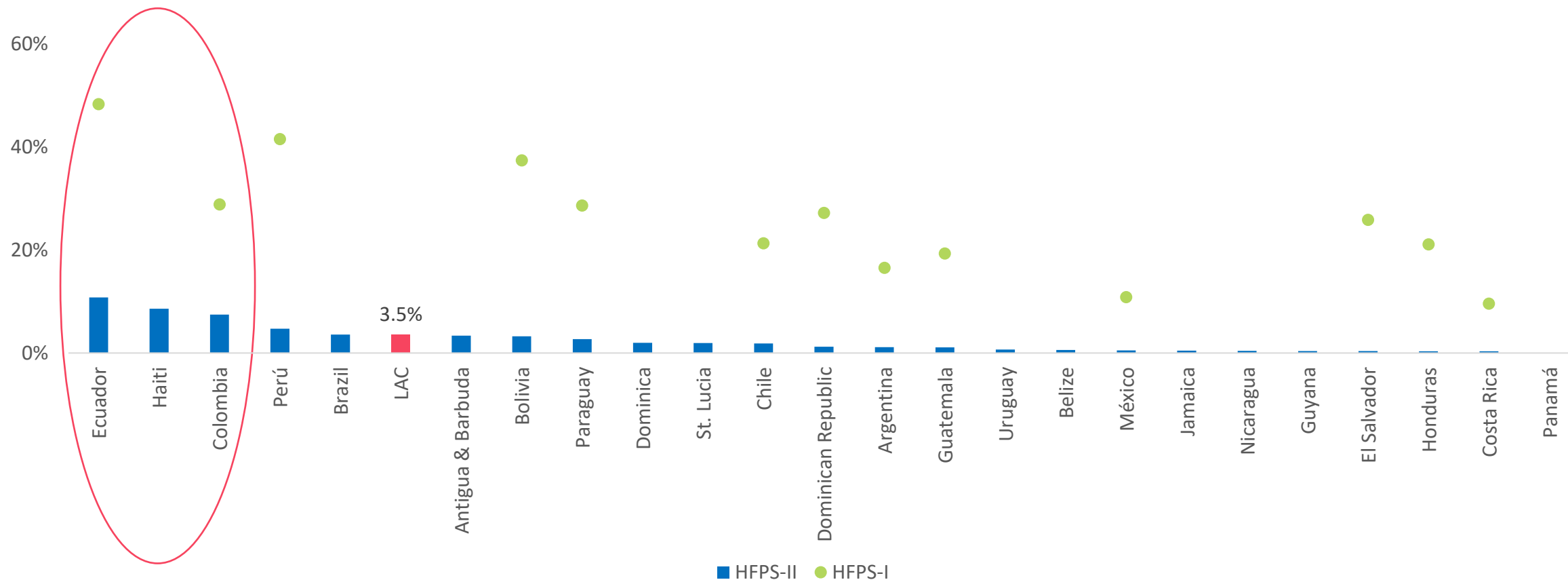
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Health

A year into the pandemic, access to health services has been restored in most countries, though access remains more limited to some.

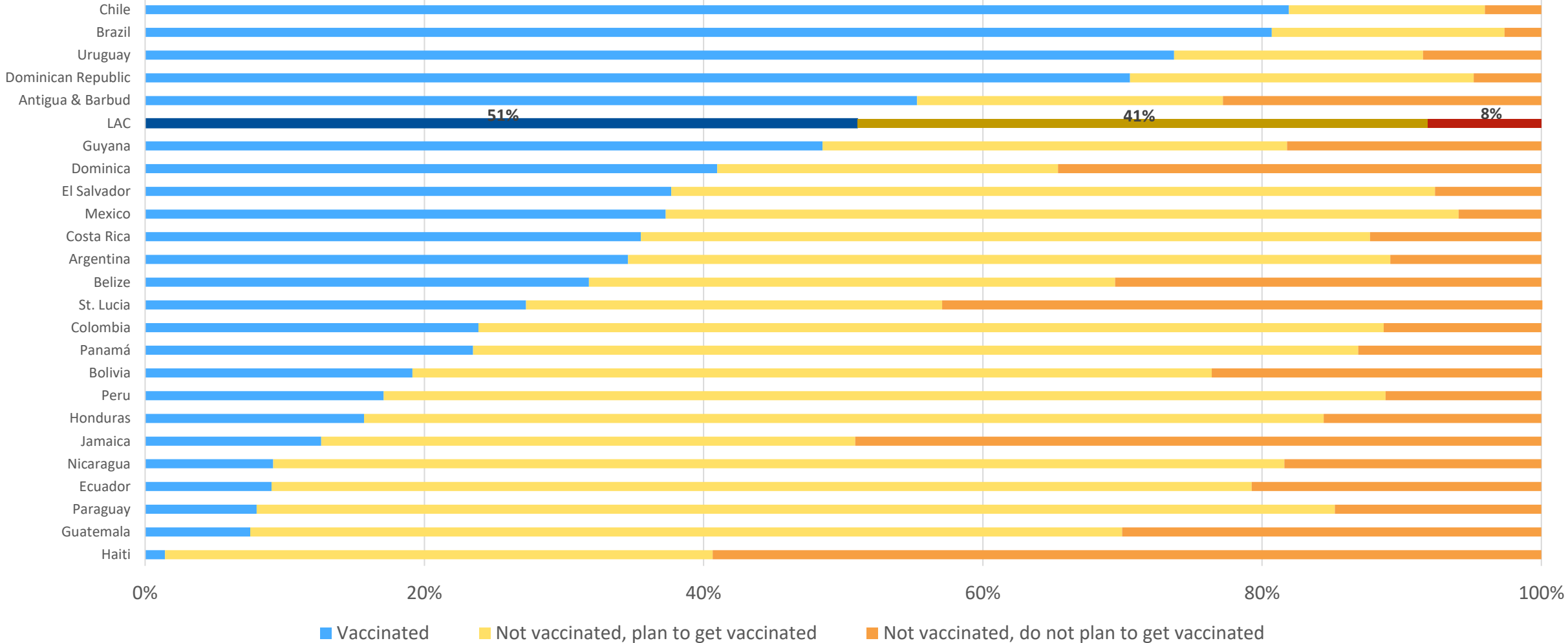
Percentage of Households where someone could not access health services when needed



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Vaccination rates and willingness to get vaccinated is high in the region. However, hesitancy remains high in the Caribbean and parts of Central America.

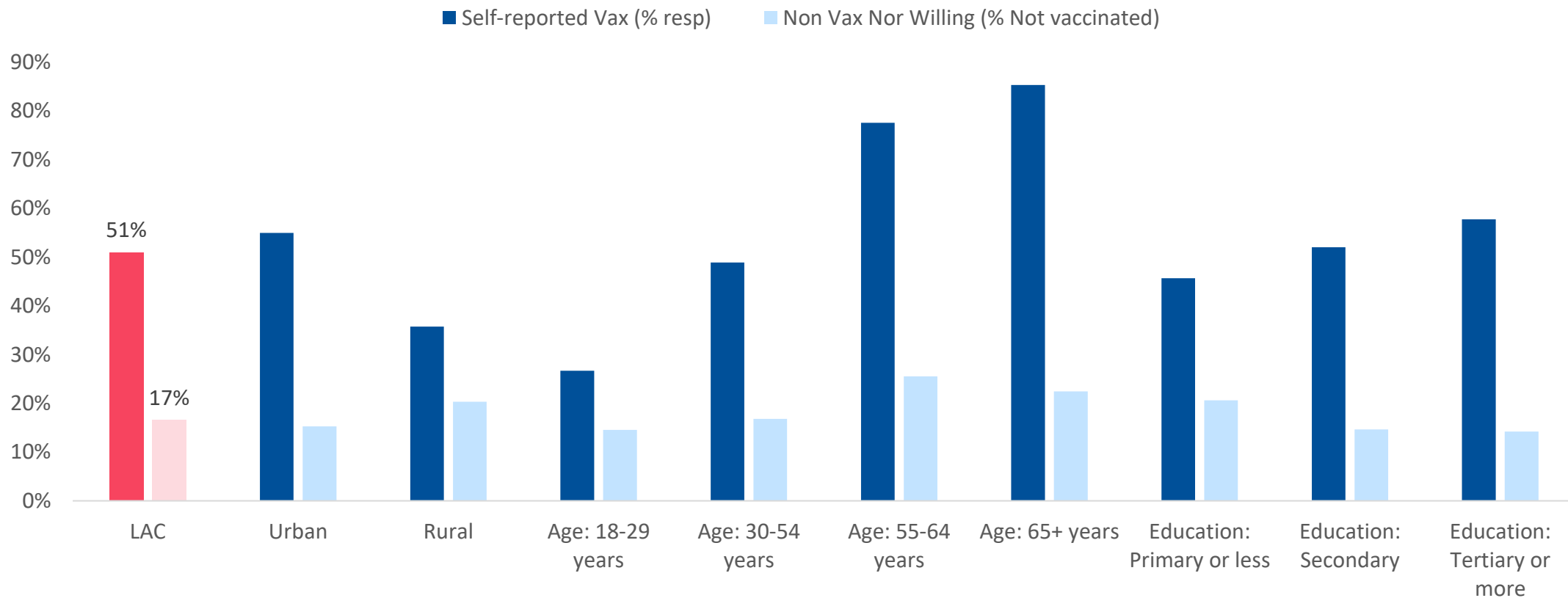


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Nearly 1/5 of the unvaccinated are not planning to get vaccinated: hesitancy rates higher among rural households, older and with lower levels of education.

Self-reported vaccination rates and share not vaccinated nor willing to get one, by population group (LAC average)

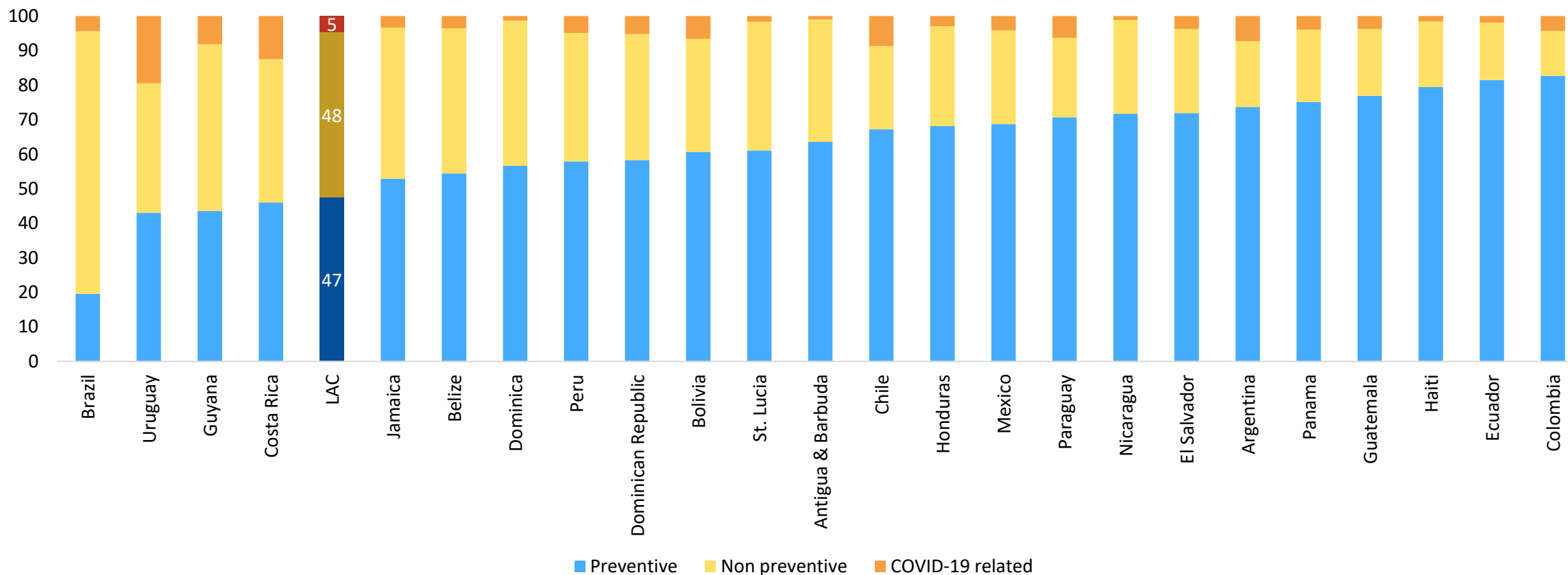


Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Current demand for preventive health services indicates that households are returning to the health system more broadly.

Type of medical assistance demanded by households who need medical services



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



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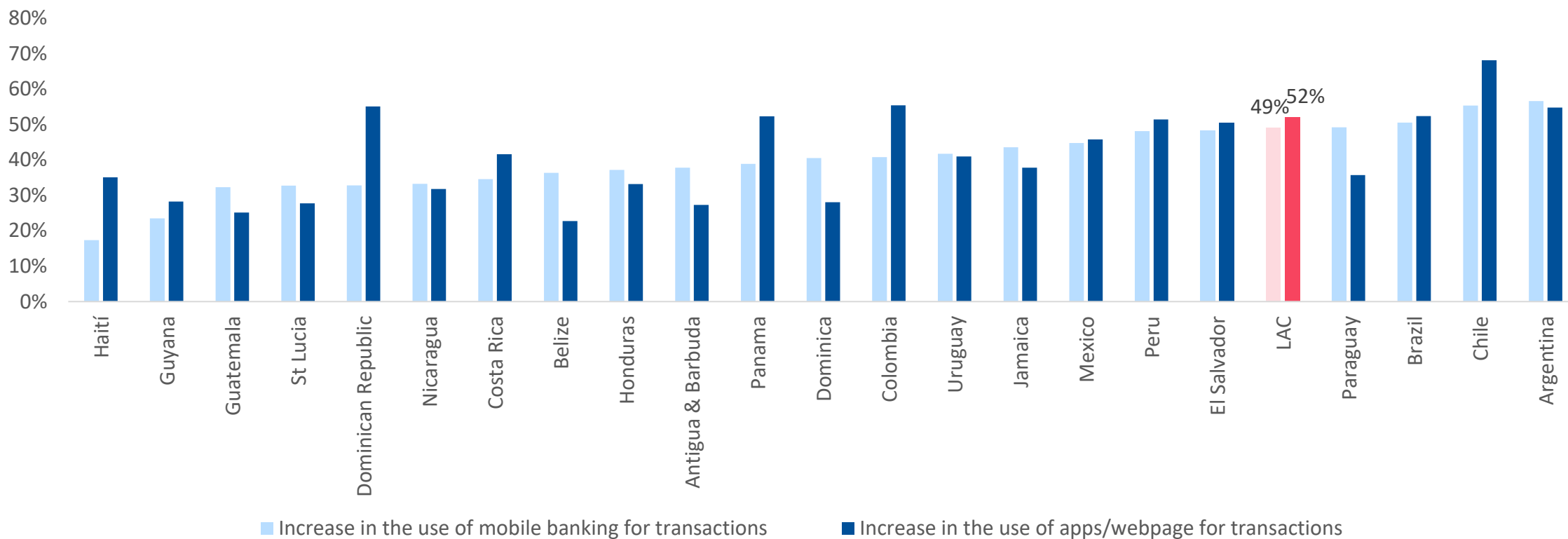
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Digital and Finance



Clear increase in the use of digital services and transactions since the onset of the pandemic.

Share of users who indicate an increase in the use of mobile banking vs. the use of apps/webpage for transactions



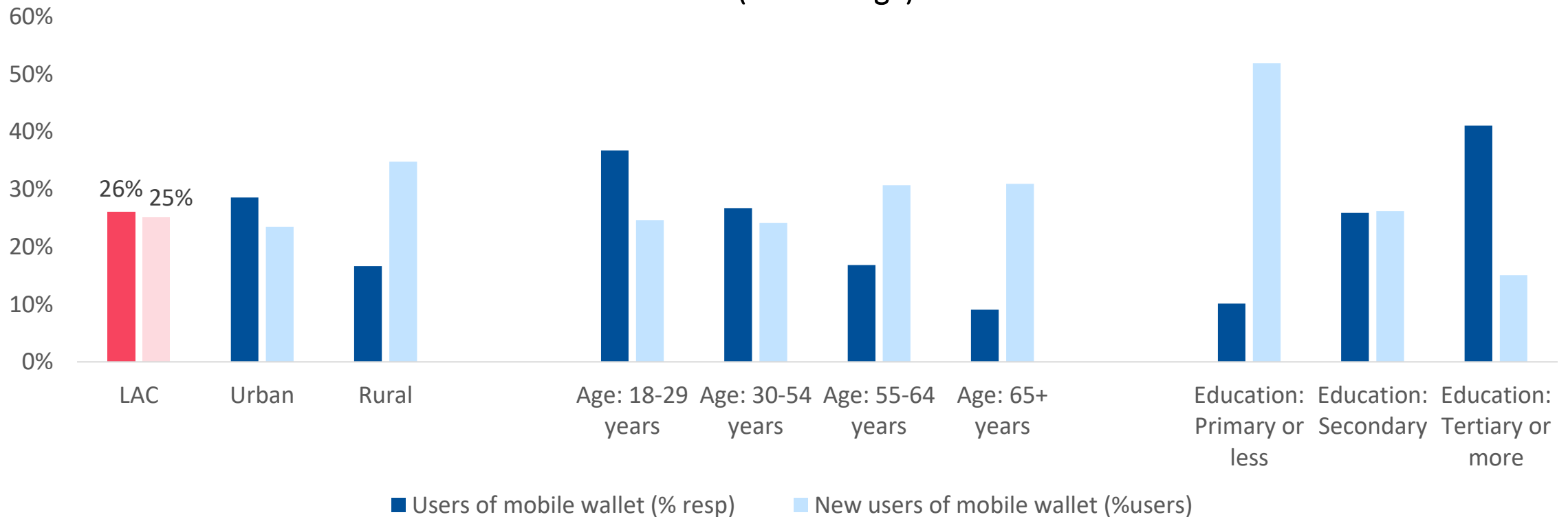
Note: Only for respondents who have a bank account. Ecuador and Bolivia are not included because of the low number of observations.

Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Mobile wallets provide access to banking for segments with lower access to traditional banking: older, less educated and rural populations.

Share of digital wallet users: overall and new users, by population group (LAC average)

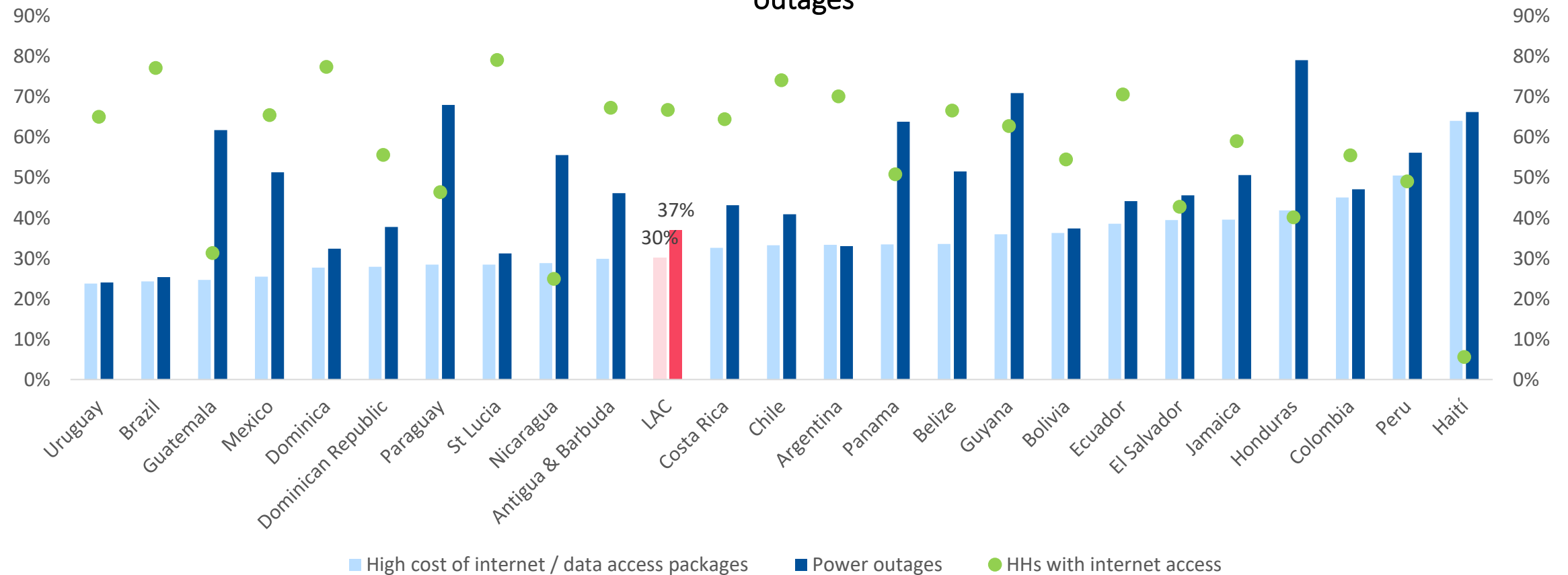


Note: Antigua and Barbuda is not included in the averages. In addition, it must be noted that there was a low response rate in Ecuador, Bolivia, Costa Rica, El Salvador, Dominican Republic, Chile, Uruguay, Nicaragua, Colombia, Honduras, and Peru.

Source: LAC High-Frequency Phone Survey, Phase II, Round 1.

High cost to access digital services and regular power outages are important challenges for households when using internet.

Share of households that report issues with internet connection due to high cost of internet vs. power outages



Source: LAC High-Frequency Phone Survey, Phase II, Round 1.



Thank you!