COVID-19 IN LAC

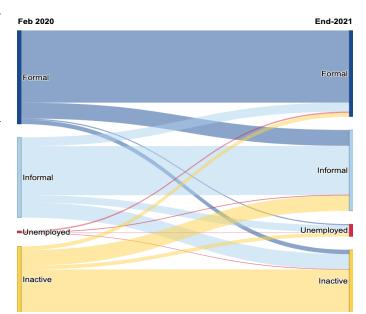


The pandemic hit Argentina hard as it struggled with long-standing macroeconomic instability and growing poverty rates. Two years after the start of the pandemic, 16.0 per cent of people who were employed before Covid struck had lost their jobs. Although this percentage remains high, it has dropped from where it stood six months earlier, at 23.5 per cent. Specifically, 11.2 per cent dropped out of the labour force altogether, and 4.7 per cent became unemployed. Job loss was more frequent for women, 25.4 per cent of whom reported having become unemployed. In tandem with these departures from the labour force, 35.0 per cent of those who were inactive transitioned into active employment. The majority of those entering the labour market (84.0 per cent) managed to find work, although most of these jobs were informal. Likewise, 39.4 per cent of those who were formal or inactive employees or unemployed before the pandemic transitioned to informal jobs. By the end of 2021, those entering the labour market accounted for 11.6 per cent of the total employed and 29.8 per cent of the unemployed. Signs of recovery are evident in all these indicators in comparison with mid to late 2021. However, 17.0 per cent of those who were formally employed before Covid transitioned to informal jobs during it. The pandemic triggered an increase in demand for time spent on unpaid work in the home and care work. Some 70.2 per cent of women reported spending more time providing their children support with education compared to 45.5 per cent of men. This pattern improved in the second half of 2021, which brought a 22.8 percentage point drop in respondents reporting spending more time on their children's education.

Key indicators: Individuals (18+ years old)

Childcare Labour Change in % of population reporting an % of formal, % of employed % of inactive increase in time spent Distribution among unemployed or population (pre-population (presupporting children's groups inactive (prepandemic) who pandemic) who education activities pandemic) who were entered the (compared to prelost their preworking and transited pandemic job labour market pandemic) between midinto informality 2021 and end of 2021(pp) 16.0% 35.0% 39.4% Overall -22.8Urban 15.5% 31.6% 40.4% -25.9 19.8% 60.9% 33.9% -9.0 Rual 25.4% 32.4% 37.7% -33.8 Females 40.6% 40.6% -8.5 Males 8.2% 23.6% 63.2% 55.4% 7.1 18 to 25 years old 15.4% 42.7% 40.0% -30.7 26 to 45 years old 9.7% 25.0% 28.0% -25.4 46 to 64 years old 32.7% 11.2% 30.5% -8.2 65 and older 17.6% 20.5% -20.0 26.3% Primary or less 19.4% 39.2% 42.2% -23.0 Secondary 8.3% 40.8% 52.1% -26.4 Tertiary and more

Figure 1: Transitions in the labour market



Source: LAC High Frequency Phone Surveys, Phase II, Wave 2

The pandemic had a negative effect on household incomes. By June 2021, 38.8 per cent of households reported incomes that were lower than before Covid started. Furthermore, as figure 2 shows, between June and December 2021, 13.7 per cent of households reported a drop in income, and 33.6 per cent reported an increase in income. The poorest families—as measured by their number of assets—were disproportionately impacted. Some 20.6 per cent of households with one or no assets reported a decrease in income, compared to 9.6 per cent of those with two or three assets. Some 59.3 per cent of households used a variety of coping mechanisms in response to this shock, particularly rural households, and households with minors. Indeed, as many as 6.6 per cent of households with underage children reported that one of these alternatives was for a child to seek employment.

The percentage of food-insecure households doubled compared to pre-pandemic levels. In June and December 2021, 20.0 and 16.8 per cent of households, respectively, reported having gone without food during the 30 days prior to the survey due to a lack of means. These food shortages mainly occurred in rural areas and in households with minor children, with one or fewer assets, and in which the head of the household's education level was low. In the last half of 2021, in-person education coverage increased by 72.2 percentage points. This result is extremely significant: by the end of 2021, 39.0 per cent of respondents perceived that school-age children had lower learning levels than before the pandemic, particularly those in urban areas and those from households where the highest education level reached by the head of the household was secondary school. The return to inperson teaching is likely to have a positive effect on learning outcomes.

Figure 2: Households reporting a change in income (%) End of 2021 vs. Mid 2021

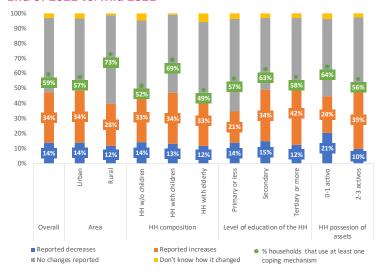
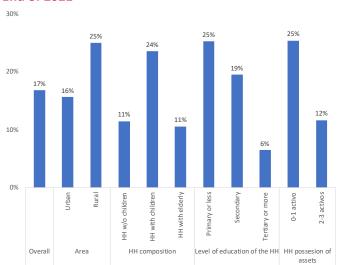


Figure 3: Household that ran out of food (%) End of 2021



Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2

Key indicators: Households and children

Distribution among groups	Income	Coping		Food Insecurity	Education (6-17 yo)	
	% households that report a reduction in total income (End of 2021 vs. Mid 2021)	% of households that resorted to at least one mechanism to manage financial stress in 2021*	% of households reporting school-age children entering in the labour force	% households that ran out of food (last 30 days)	Change in the % of school-age children who attended face-to- face classes (End 2021 vs. Mid 2021) (pp)	% of enrolled children who are learning less than before the pandemic
Overall	13.7%	59.3%	6.6%	16.8%	72.2	39.0%
Urban	14.0%	57.4%	5.6%	15.6%	71.3	41.8%
Rural	11.8%	72.6%	12.4%	25.0%	77.9	23.7%
HH w/o children (0-17)	14.2%	51.8%	-	11.5%	-	-
HH with children (0-17)	13.0%	69.0%	6.6%	23.5%	72.2	39.0%
HH with elderly (65+)	11.9%	48.8%	10.2%	10.5%	74.6	25.9%
HH with 0-1 asset	20.6%	64.5%	13.9%	25.4%	67.8	37.6%
HH with 2-3 assets	9.6%	56.2%	2.6%	11.6%	74.5	39.7%
HH education - Primary or less	13.7%	56.5%	10.7%	25.2%	73.9	31.9%
HH education - Secondary	14.8%	62.6%	6.0%	19.5%	68.4	44.3%
HH education - Tertiary or more	12.3%	57.6%	3.5%	6.4%	77.4	38.0%

^{*} Coping mechanisms are the strategies used to cope with the financial stress generated by the reduction in income during the pandemic. Particularly, non-payment of financial obligations, use of savings and entry into the labour force.

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2

HIGH FREQUENCY PHONE SURVEY

The World Bank and UNDP conducted a multi-wave High-Frequency Phone Survey (HFPS) in 2021 to assess the impact of the coronavirus pandemic on the welfare of Latin American and Caribbean households. The second wave was collected between November and December 2021, and the data is nationally representative for 22 countries: Argentina, Belice, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, and Uruguay. The HFPS provides information on the welfare impacts that households experienced with respect to food insecurity, changes in employment, income changes, access to health and education services, and coping mechanisms. For further information see Chapeau Phase II, wave 2.

