



COVID-19 IN LAC

COSTA RICA

2021 LAC HIGH FREQUENCY PHONE SURVEYS: Results Phase II, Wave 2



September 2022

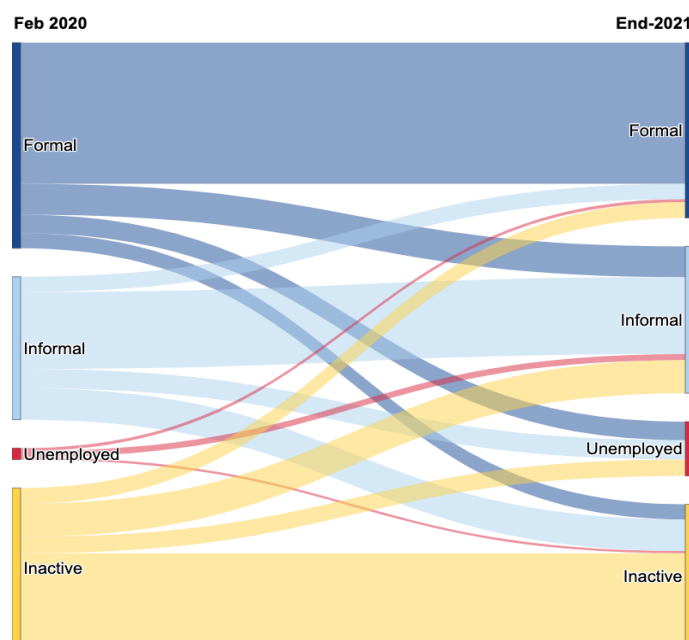
Mobility restrictions and social distancing measures implemented to contain the Covid-19 pandemic hit the tourism industry hard: Costa Rica experienced a 4.1 per cent drop in GDP in 2020. The economic contraction went hand-in-hand with a decline in employment and household income. The labour market has been slow to recover. At the time of the survey, 24.2 per cent of those who were employed before the pandemic had lost their jobs, a slightly higher share than reported in mid-2021 (27.5 per cent). Of the total job losses, 13.4 per cent dropped out of the labour force altogether, and the remaining 10.8 per cent became unemployed. Those who lost their jobs most frequently were women (38.4 per cent), young people (28.8 per cent) and those with lower education levels (28.4 per cent). For men, the second half of 2021 brought a 5.9-percentage-point reduction in job losses (bringing them to 14.7 per cent), while for women it brought an increase of 0.2 percentage points (to 38.4 per cent). Some 40.8 per cent of the population that was inactive pre-Covid entered the labour market, of whom men and young people were the groups who became economically active most frequently. Some 74.8 per cent of those entering the labour market found work, mainly in the form of informal jobs (67.7 per cent). According to the survey, 47.7 per cent of those who held formal jobs, were unemployed or were economically inactive before the pandemic transitioned to informal work. On the other hand, the time spent on providing support for schooling remains on the rise. In mid-2021, 37.5 per cent of respondents reported that the time they spent helping their children with schoolwork had increased during the pandemic. By late 2021, it had increased by 3.6 percentage points. Although the proportion of men reporting increases during this time grew by 9.6 percentage points (to 33.5 per cent), the care burden was shouldered more by women (46.4 per cent).

Key indicators: Individuals (18+ years old)

Distribution among groups	Labour			Childcare
	% of employed population (pre-pandemic) who lost their pre-pandemic job	% of inactive population (pre-pandemic) who entered the labour market	% of formal, unemployed or inactive (pre-pandemic) who were working and transited into informality	Change in % of population reporting an increase in time spent supporting children's education activities (compared to pre-pandemic) between mid-2021 and end of 2021 (pp)
Overall	24.2%	40.8%	47.7%	3.6
Females	38.4%	34.2%	49.6%	0.1
Males	14.7%	57.1%	46.1%	9.6
18 to 25 years old	28.8%	57.6%	61.0%	5.6
26 to 45 years old	24.1%	52.4%	47.5%	3.4
46 to 64 years old	23.7%	25.7%	47.9%	2.9
65 and older	20.4%	15.5%	26.2%	0.0
Primary or less	28.4%	29.8%	39.8%	0.8
Secondary	25.8%	54.2%	58.0%	4.4
Tertiary and more	10.6%	43.6%	53.7%	7.9

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

Figure 1: Transitions in the labour market



Labour market dynamics show that government efforts fell short of offsetting the negative effects of the pandemic on household welfare. As figure 2 shows, between June and December 2021, 27.4 per cent of households reported a drop in total income, 10 per cent reported an increase, and 62.0 per cent reported no changes. Households with one or no assets (35.5 per cent) and with less educated heads (34.2 per cent) reported income drops more frequently. The loss of income and other sources of means during the pandemic were associated with increased food insecurity: 21.1 per cent of households reported going without food in the 30 days prior to the survey due to lack of means, 12.9 percentage points below the figure reported in mid-2021 and 0.9 percentage points below pre-pandemic levels. This figure was even higher for households with limited asset holdings (30.8 per cent) and less educated heads (30.2 per cent).

To cope with food insecurity and continue meeting their basic needs, households were forced to resort to coping strategies that included not paying financial obligations, using savings and both adults and children entering the workforce. Some 64.2 per cent of households turned to at least one of these mechanisms, a figure that rose to 73.3 per cent among homes with underage children. Furthermore, in 3.3 per cent of households with school-age children, a child had to seek employment to get through the pandemic. This share is three times higher if the respondent was an older adult (65 or older). Face-to-face class attendance increased significantly between mid-2021 and the end of the year, 55.3 percentage points, going from 10.2 per cent to 66.5 per cent (18.2 percentage points above the regional average). Although this reflects some improvements in in-person attendance, perceptions of education quality remain substandard. Some 58.3 per cent of respondents believe that children are learning less than before the pandemic, which could jeopardise the accumulation of human capital and well-being in the future. This perception is more pronounced in households with more assets and those with more educated heads.

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

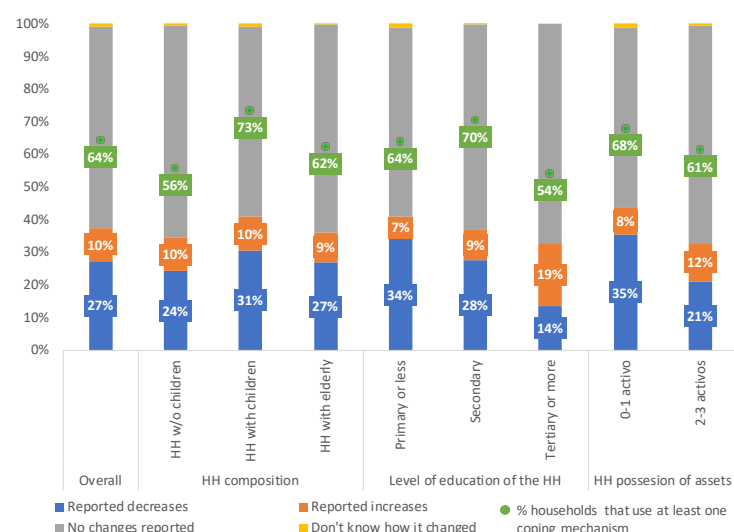
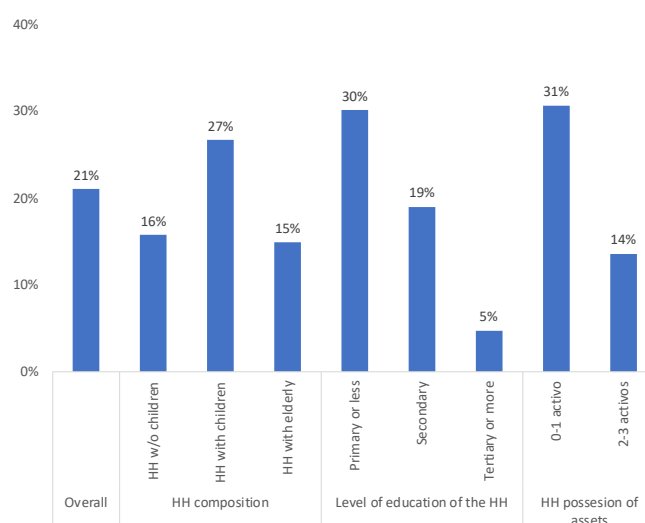


Figure 3: Household that ran out of food (%)
End of 2021



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 coping mechanism to manage financial stress in 2021*	% of households reporting school-age children entering in the labour force as a coping mechanism	% 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	27.4%	64.2%	3.3%	21.1%	55.3	58.3%
HH w/o children (0-17)	24.3%	55.7%	-	15.8%	-	-
HH with children (0-17)	30.6%	73.3%	3.3%	26.8%	55.3	58.3%
HH with elderly (65+)	26.9%	62.2%	9.9%	15.0%	74.1	56.7%
HH with 0-1 asset	35.5%	67.8%	5.3%	30.8%	60.1	53.6%
HH with 2-3 assets	21.1%	61.4%	2.0%	13.6%	51.8	61.7%
HH education - Primary or less	34.2%	63.7%	2.7%	30.2%	53.7	47.7%
HH education - Secondary	27.6%	70.3%	4.2%	19.1%	59.2	66.7%
HH education - Tertiary or more	13.7%	54.0%	0.8%	4.8%	52.1	62.0%

* 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, Belize, Bolivia, Chile, Colombia, Costa Rica, Dominica, 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](#).