



# COVID-19 IN LAC

## NICARAGUA

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



September 2022

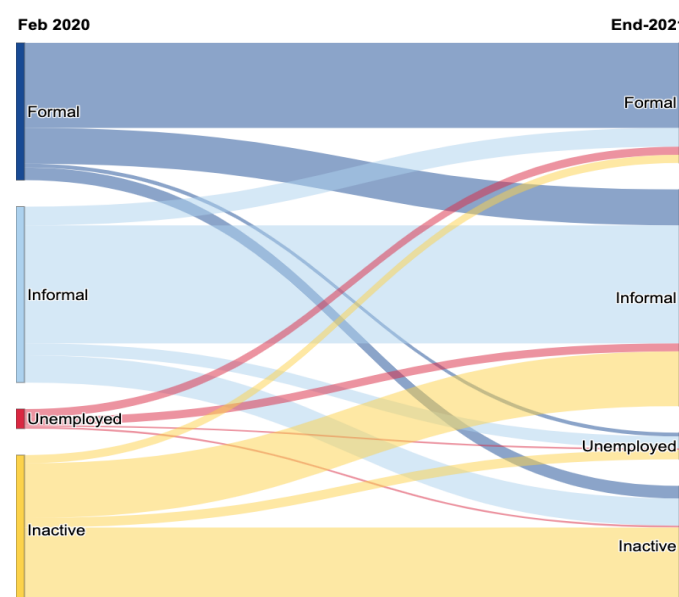
After a three-year recession triggered by socio-political upheaval and prolonged by the Covid-19 pandemic, Nicaragua's economy began to recover in 2021. GDP is estimated to have grown by 10.3 per cent that year in response to fiscal stimuli and recovering private demand. However, new waves of Covid infections and ongoing social unrest may delay a full economic recovery yet further. At the end of the year, the labour market was only recovering slowly and showed little sign of improvement in comparison with mid-2021. Some 17.7 per cent of those who had been employed before the pandemic lost their jobs. Of these, 12.7 per cent dropped out of the labour force altogether and the remaining 5.0 per cent were seeking work. Job losses were greater for women, young people and the less educated. However, a large proportion of people who were previously economically inactive entered the labour force during the pandemic (48.1 per cent). A significant proportion of the changes that took place in the labour market during the pandemic were towards informality, affecting the quality of employment. Some 45.5 per cent of those who held formal jobs, were unemployed or were economically inactive moved into informal employment by late 2021. Informal jobs were more frequent among the more educated and young people. The pandemic also brought changes in the distribution of time within households. Some 28.1 per cent of respondents reported that they were spending 4.0 percentage points more time helping their children with schoolwork than in the middle of the year. Unlike in the vast majority of countries in the region, the extra care burden caused by the pandemic is distributed equally between men and women. By the end of 2021, older adults were entering the labour force less frequently, and were more often responsible for supporting children's education.

### 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	17.7%	48.1%	45.5%	4.0
Urban	17.1%	44.8%	44.0%	3.8
Rural	18.8%	53.6%	47.8%	4.6
Females	23.3%	43.9%	49.3%	3.5
Males	13.6%	58.8%	42.1%	4.8
18 to 25 years old	30.7%	52.5%	52.5%	4.7
26 to 45 years old	11.1%	53.4%	44.4%	1.3
46 to 64 years old	22.3%	51.3%	46.1%	3.8
65 and older	24.3%	18.6%	30.9%	32.2
Primary or less	24.3%	39.0%	36.5%	2.5
Secondary	21.8%	53.0%	43.6%	6.4
Tertiary and more	9.4%	52.5%	56.7%	1.0

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

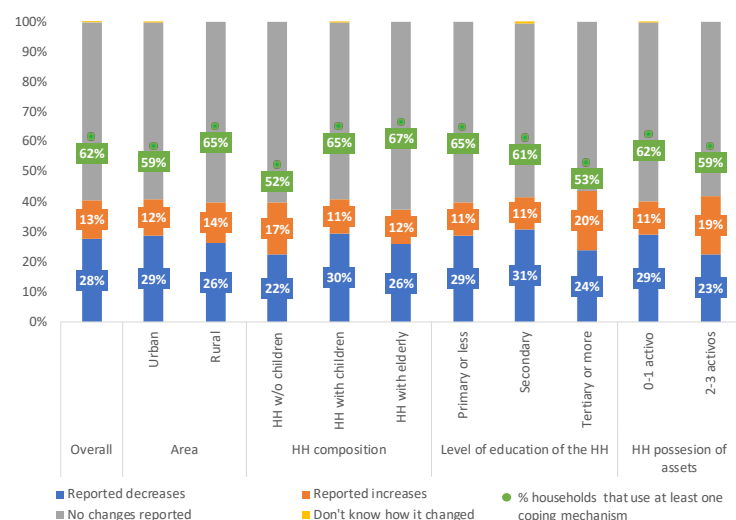
Figure 1: Transitions in the labour market



The public and private initiatives that were implemented were not enough to offset the drop in income. Some 27.7 per cent of households reported declines in their income compared with the middle of the year. Households whose heads had secondary education, fewer assets and dependent children were affected the most. This decline in income was associated with increased food security risks: 22.1 per cent reported having gone without food in the 30 days leading up to the survey. Food insecurity was more commonplace in rural households, which had fewer assets and heads with low education levels. To cover their basic needs during the pandemic, 61.6 per cent of households resorted to at least one of the following coping mechanisms: non-payment of financial obligations, using savings and entering the labour force. Using any of these strategies was more common among households with high dependency ratios, those whose heads were less educated and those located in rural areas.

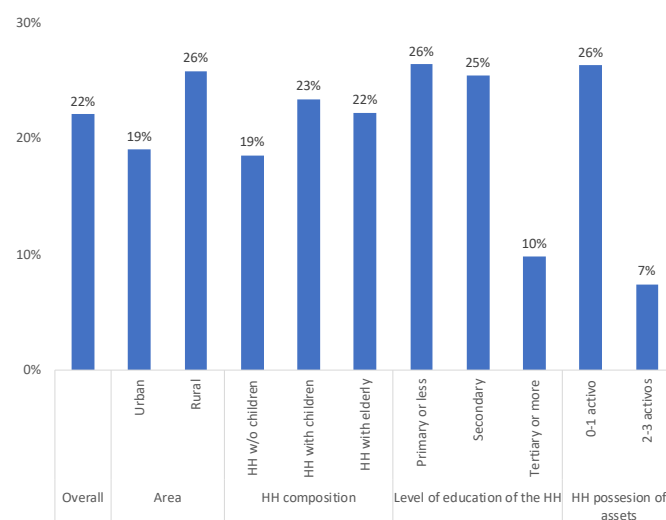
In 11.4 per cent of households with school-age children, these coping mechanisms included a child having to seek employment. This share rose to 15.1 per cent for households whose heads had primary education or less. Nicaragua was the only country in the region whose schools were fully open throughout 2021. Although the in-person attendance rate fell slightly between mid- and late 2021 (by 1.7 percentage points), the country continued to have one of the highest face-to-face attendance rates in the region (91.2 per cent). However, these attendance levels did not guarantee complete satisfaction with the quality of education. According to 28.9 per cent of respondents, children are learning less than before the pandemic. This view is even more pronounced among households with more assets (40.5 per cent) or those whose heads have tertiary education or higher, which are the groups that reported the most significant decrease in face-to-face attendance.

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



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

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



## 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	27.7%	61.6%	11.4%	22.1%	-1.7	28.9%
Urban	28.8%	58.7%	12.7%	19.0%	-4.2	32.2%
Rural	26.2%	65.1%	10.0%	25.8%	1.9	24.2%
HH w/o children (0-17)	22.4%	52.2%	-	18.5%	-	-
HH with children (0-17)	29.6%	65.0%	11.4%	23.4%	-1.7	28.9%
HH with elderly (65+)	25.9%	66.5%	12.2%	22.2%	-5.3	34.3%
HH with 0-1 asset	29.1%	62.4%	12.8%	26.3%	-0.4	26.0%
HH with 2-3 assets	22.7%	58.6%	5.5%	7.4%	-7.5	40.5%
HH education - Primary or less	28.9%	64.8%	15.1%	26.4%	-0.1	23.2%
HH education - Secondary	30.9%	61.3%	5.4%	25.4%	-1.2	32.1%
HH education - Tertiary or more	23.7%	53.1%	12.6%	9.8%	-7.0	34.8%

\* 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](#).