



COVID-19 IN LAC

PANAMA

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



September 2022

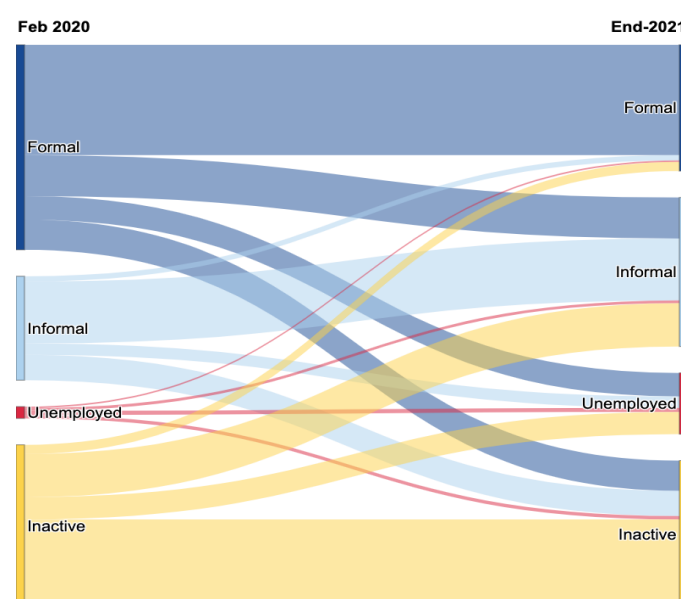
With one of the highest per capita infection rates in Latin America and the Caribbean, Panama was hit hard by the Covid-19 crisis, which had a significant impact on the country's main economic sectors: construction, logistics, retail and tourism. GDP contracted sharply in 2020 (-17.9 per cent), and although the economy began to recover in 2021, significant challenges remain. In late 2021, the labour market remained in decline. Nearly one-third (29.2 per cent) of the population had lost the job they held before the pandemic. While 11.3 per cent of these individuals continued to seek employment, the remaining 17.9 per cent opted to leave the labour force. Those who lost their jobs most frequently were women (41.4 per cent), young people (41.9 per cent) and those with lower education levels (33.2 per cent). Conversely, 45.8 per cent of those who were economically inactive before the pandemic entered the labour market. This was more common among men (61.6 per cent) and young adults (54.1 per cent). The quality of work also deteriorated during the pandemic. Some 58.4 per cent of those who held formal jobs, were unemployed or were economically inactive pre-Covid were holding informal jobs by late 2021. The most affected were older adults, four out of five of whom moved into informal employment. The pandemic affected the amount of time spent on unpaid care work. This redistribution mainly affected women: in mid-2021, 53.2 per cent reported spending more time providing support for their children's learning, compared to 38.2 per cent of men. This trend was heightened in the second half of 2021, when the percentage of women reporting these increases increased by 6.5 percentage points, while the percentage of men decreased by 4.6 percentage points compared with June of the same year.

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	29.2%	45.8%	58.4%	1.8
Urban	25.2%	45.4%	57.3%	-0.3
Rural	37.8%	46.7%	60.7%	5.2
Females	41.4%	38.9%	66.4%	6.5
Males	21.4%	61.6%	53.3%	-4.6
18 to 25 years old	41.9%	54.1%	71.8%	7.7
26 to 45 years old	23.6%	64.4%	55.2%	1.6
46 to 64 years old	34.7%	28.5%	45.6%	-8.2
65 and older	29.9%	30.7%	80.9%	19.5
Primary or less	33.2%	36.6%	61.5%	22.5
Secondary	34.5%	55.3%	54.8%	-0.8
Tertiary and more	22.5%	35.7%	63.9%	-3.6

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

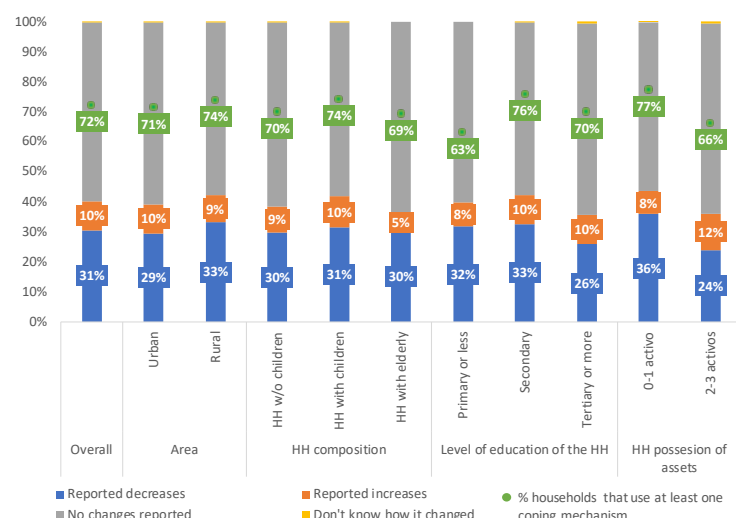
Figure 1: Transitions in the labour market



The dynamics observed in the labour market show that emergency transfers fell short of offsetting the negative effects of the pandemic on household welfare. In late 2021, one-third of households reported a drop in their income and 1 in 10 households reported an increase in income in comparison with mid-2021. This situation was more common among rural households, those with less educated heads, and those with lower asset holdings. In addition, nearly a quarter of households reported having gone without food during the 30 days prior to the survey due to a lack of means. Rural households were the ones that experienced food insecurity most frequently. To mitigate the effects of the pandemic, households were forced to resort to strategies that included not paying financial obligations, using savings and both adults and children entering the workforce. According to the survey, some 72.2 per cent of households made recourse to at least one of these mechanisms to cope with the financial stress caused by the pandemic.

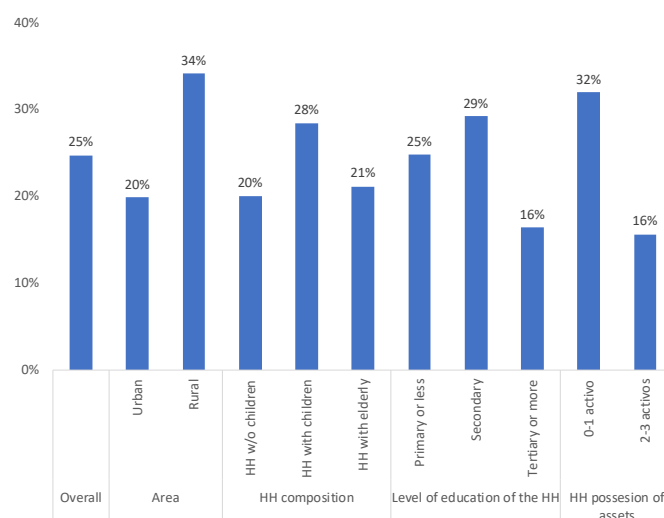
Specifically, in 4.8 per cent of households with school-age children, these coping mechanisms included a child having to seek employment. This figure stood at 7.0 per cent for households with low asset ownership and 12.0 per cent for households with less educated heads. Furthermore, the partial reopening of schools in the second half of the year prompted an 8.5 percentage point increase in school attendance rates by the end of 2021, taking them to 11.8 per cent, still well below the regional average (48.3 per cent). Consequently, the Panamanian education system still has many challenges ahead when it comes to face-to-face attendance. This is reflected in public perceptions of the quality of education: 56.7 per cent of respondents believe that children are learning less than before the pandemic. This view is even more prevalent among respondents from households in urban areas.

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	30.6%	72.2%	4.8%	24.7%	8.5	56.7%
Urban	29.3%	71.5%	4.6%	19.9%	6.2	60.3%
Rural	33.2%	73.7%	4.9%	34.1%	12.1	51.8%
HH w/o children (0-17)	29.7%	69.8%	-	20.0%	-	-
HH with children (0-17)	31.4%	74.1%	4.8%	28.4%	8.5	56.7%
HH with elderly (65+)	30.3%	69.3%	3.9%	21.1%	5.5	53.0%
HH with 0-1 asset	35.9%	77.2%	7.0%	31.9%	16.2	55.4%
HH with 2-3 assets	24.0%	66.0%	2.7%	15.6%	3.8	57.4%
HH education - Primary or less	31.7%	63.2%	12.0%	24.8%	9.4	54.8%
HH education - Secondary	32.7%	76.0%	3.3%	29.2%	9.2	58.6%
HH education - Tertiary or more	25.9%	69.9%	3.6%	16.4%	8.4	55.9%

* 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](#).