



# COVID-19 IN LAC

## PARAGUAY

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



September 2022

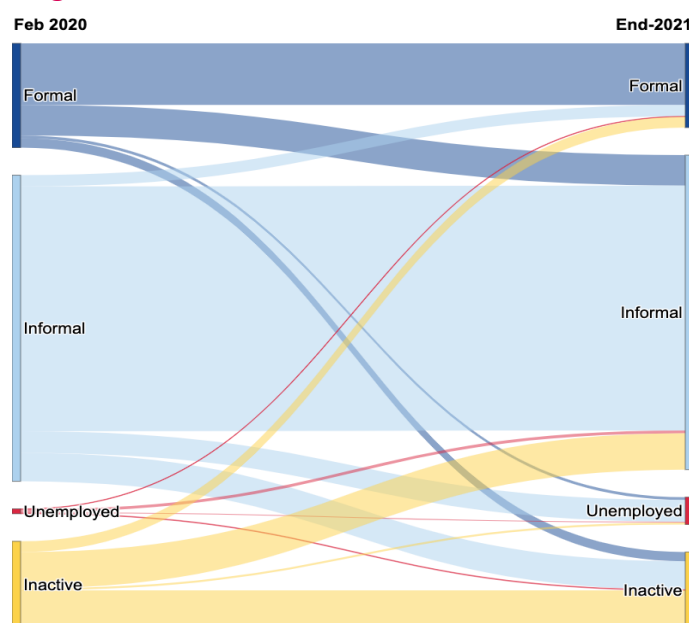
Paraguay experienced a slight economic contraction in 2020 (0.6 per cent), which contrasts with a much larger average decline in the region in general (6.7 per cent). However, the Paraguayan economy grew by 4.3 per cent in 2021, below the average for LAC (6.7 per cent). The labour market continued to experience the effects of the pandemic in the second half of 2021, although there was some improvement compared to the first half of the year. By the end of the year, 15.2 per cent of those who had been employed before the pandemic had lost their jobs (10 percentage points less than in mid-2021). Of those who lost their jobs, 6.0 per cent became unemployed, and 9.2 per cent dropped out of the labour force altogether. More than one-third of older adults (those aged 65 and older) lost their pre-Covid employment. Likewise, two out of ten women lost jobs, compared to one out of ten men. At the same time, 56.1 per cent of the population that was economically inactive before the pandemic entered the labour market. Specifically, four out of five men and young people (those aged 18 to 25) who had been economically inactive pre-Covid became part of the workforce. Some 96.0 per cent of those entering the labour market found work, although for 77.1 per cent this was informal. Some 22.2 per cent of those who held formal jobs, were unemployed or were economically inactive pre-Covid were holding informal jobs by late 2021. Young people (18–25 years old) moved into informal jobs at twice the rate of the general population. By late 2021, 51.2 per cent of respondents reported that they were spending more time helping their children with school activities (2.9 percentage points more than in the middle of the year). The percentage of women who said this was the case increased by 5.8 percentage points, while the percentage of men decreased by 0.02 percentage points (to 62.4 and 41.7 per cent, respectively). While the population with secondary education or less reported greater increases in time spent providing educational support in the second half of 2021; the share of the more educated population reporting these increases decreased by 13.3 percentage points.

### 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	15.2%	56.1%	22.2%	2.9
Females	20.4%	46.9%	26.7%	5.8
Males	10.9%	80.7%	18.2%	0.0
18 to 25 years old	24.5%	81.3%	43.4%	11.9
26 to 45 years old	10.6%	71.1%	20.8%	3.1
46 to 64 years old	13.3%	24.0%	13.9%	-1.8
65 and older	34.4%	0.0%	0.0%	-2.5
Primary or less	13.7%	36.9%	15.7%	5.0
Secondary	17.3%	68.9%	24.6%	10.8
Tertiary and more	13.3%	67.3%	27.3%	-13.3

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

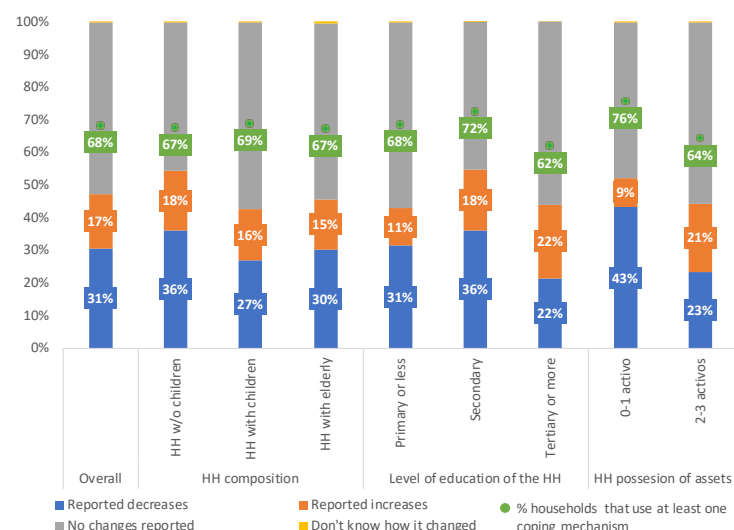
Figure 1: Transitions in the labour market



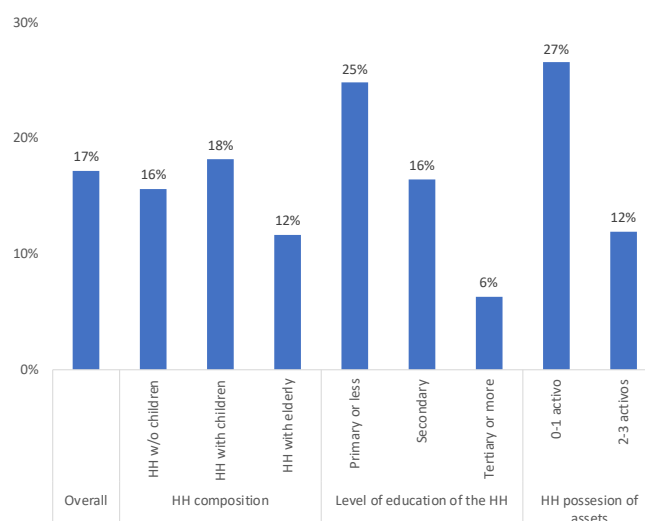
Government and private efforts to mitigate the adverse effects of the pandemic on household welfare have been effective, and this positive outcome has been furthered by the recovery of the labour market. In mid-2021, some 61.7 per cent of households reported drops in their income levels, but this figure shrunk to 30.6 per cent by the end of the year. However, 17.2 per cent of households experienced food insecurity: although this figure was down slightly from mid-year (-2.4 percentage points), it has remained above pre-pandemic levels (9.7 per cent). Households with fewer assets and less educated heads were affected the most, experiencing both income reductions and food insecurity more frequently. In response to this drop in income, 68.2 per cent of households resorted to at least one of the following coping mechanisms to get through the pandemic: non-payment of financial obligations, the use of savings and entry into the labour force by adults and children.

The households that turned to these strategies most frequently were those with lower asset ownership (75.6 per cent), and households with less educated heads (secondary education: 72.5 per cent; primary or less: 68.4 per cent). One of the most striking strategies was the entry of school-age children into the labour force, a coping mechanism that was used in 6.2 per cent of households. The households that had to resort to this mechanism most frequently were those with lower asset holdings (7.6 per cent) and less educated heads (10.6 per cent). Turning to education, between mid- and late 2021, the percentage of school-age children attending in-person classes increased by 58.2 percentage points to 71.6 per cent (23.3 percentage points above the regional average). Despite these increases in face-to-face learning, 56.7 per cent of respondents said they thought that children are learning less than before the pandemic. Perceptions of gaps in the quality of children's education were more frequent among households with higher asset holdings (62.8 per cent) and those with heads with higher education (57.8 per cent).

**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	30.6%	68.2%	6.2%	17.2%	58.2	56.7%
HH w/o children (0-17)	36.1%	67.4%	-	15.7%	-	-
HH with children (0-17)	27.0%	68.8%	6.2%	18.3%	58.2	56.7%
HH with elderly (65+)	30.3%	67.1%	5.7%	11.7%	51.4	53.5%
HH with 0-1 asset	43.4%	75.6%	7.6%	26.6%	56.9	43.9%
HH with 2-3 assets	23.3%	64.0%	5.6%	12.0%	58.8	62.8%
HH education - Primary or less	31.5%	68.4%	10.6%	24.8%	63.2	56.0%
HH education - Secondary	36.2%	72.5%	2.6%	16.5%	62.6	56.8%
HH education - Tertiary or more	21.5%	61.9%	3.1%	6.3%	41.8	57.8%

\* 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](#).