

The Early Labor Market Impacts of COVID-19 in Developing Countries: Evidence from High-Frequency Phone Surveys

Melanie Khamis (Wesleyan University, World Bank, and IZA)

Daniel Prinz (Harvard University and World Bank)

David Newhouse (World Bank and IZA)

Amparo Palacios-Lopez (World Bank)

Utz Pape (World Bank)

Michael Weber (World Bank)

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- ▶ **Lots of evidence from developed countries**
 - ▶ Chetty et al. (2020) and others
- ▶ **But we know little about developing countries**
 - ▶ Lack of administrative data
 - ▶ Few surveys that allow comparison
 - ▶ High degree of informality

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- ▶ **Labor markets were very much disrupted in developing countries too**
 - ▶ 34 percent of the respondents reported stopping work
 - ▶ 20 percent of wage workers reported lack of payment for work performed
 - ▶ 9 percent reported job changes due to the pandemic
 - ▶ 62 percent reported income loss in their household

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- ▶ **Correlated with macroeconomic estimates in Latin America, but not in Sub-Saharan Africa**
 - ▶ Due to informality?
 - ▶ Highlights value of surveys in understanding “on-the-ground” economic impacts

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- ▶ **Severe economic damage everywhere—use IMF WEO changes to assess**
 - ▶ Latin America: WEO projections downgraded 5-18%
 - ▶ Sub-Saharan Africa: WEO projections downgraded 5-13%

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- ▶ **Macroeconomic data: use IMF World Economic Outlook (WEO)**
 - ▶ Macroeconomic impact of Covid-19 = change between October 2019 and October 2020 projection *for 2020*

COVID-19 High-Frequency Monitoring Dashboard

MAIN

OVERVIEW

CROSTAB

TRENDS

SCATTERPLOT

COVID-19 HIGH-FREQUENCY MONITORING DASHBOARD [BETA]

Learn more about the socioeconomic impacts of COVID-19 on households and individuals in **45** countries across all developing regions.

This dashboard provides **93** harmonized indicators on **14** topics, allowing users to compare and analyze how COVID-19 impacts vary across countries, over time and by industry sector and regions. The data can be downloaded for further analysis.

Representativeness and Weighting

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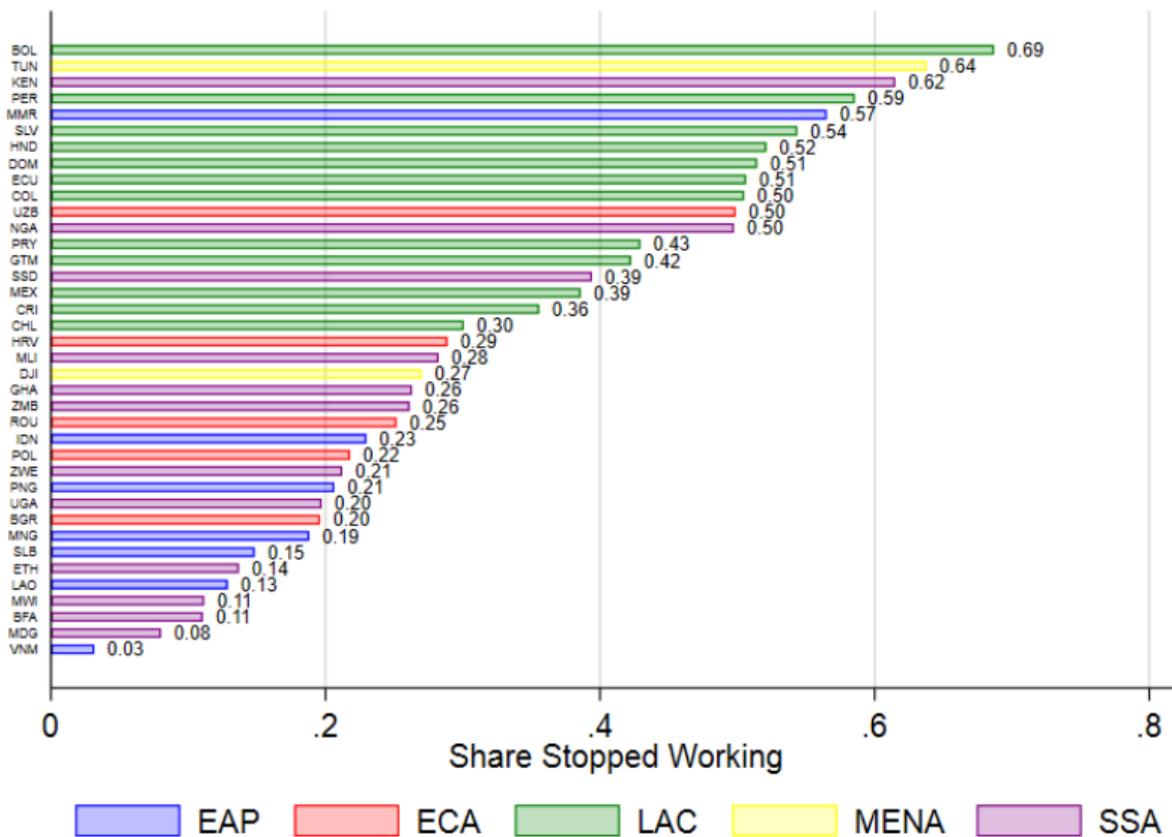
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- ▶ **Some sample selection issues: not everyone has phones or electricity, willingness to participate**
 - ▶ These are adjusted for using conventional survey weights
- ▶ **More serious issue: sampling differences across countries**
 - ▶ Household head vs anyone
 - ▶ Pre-existing survey (Sub-Saharan Africa) vs random digit dialing (Latin America)
 - ▶ Do some additional adjustment using benchmark survey database (GMD), but limits *cross-regional* comparability (but *within-region* comparisons still valuable)

Share Stopped Working

Average: 34%

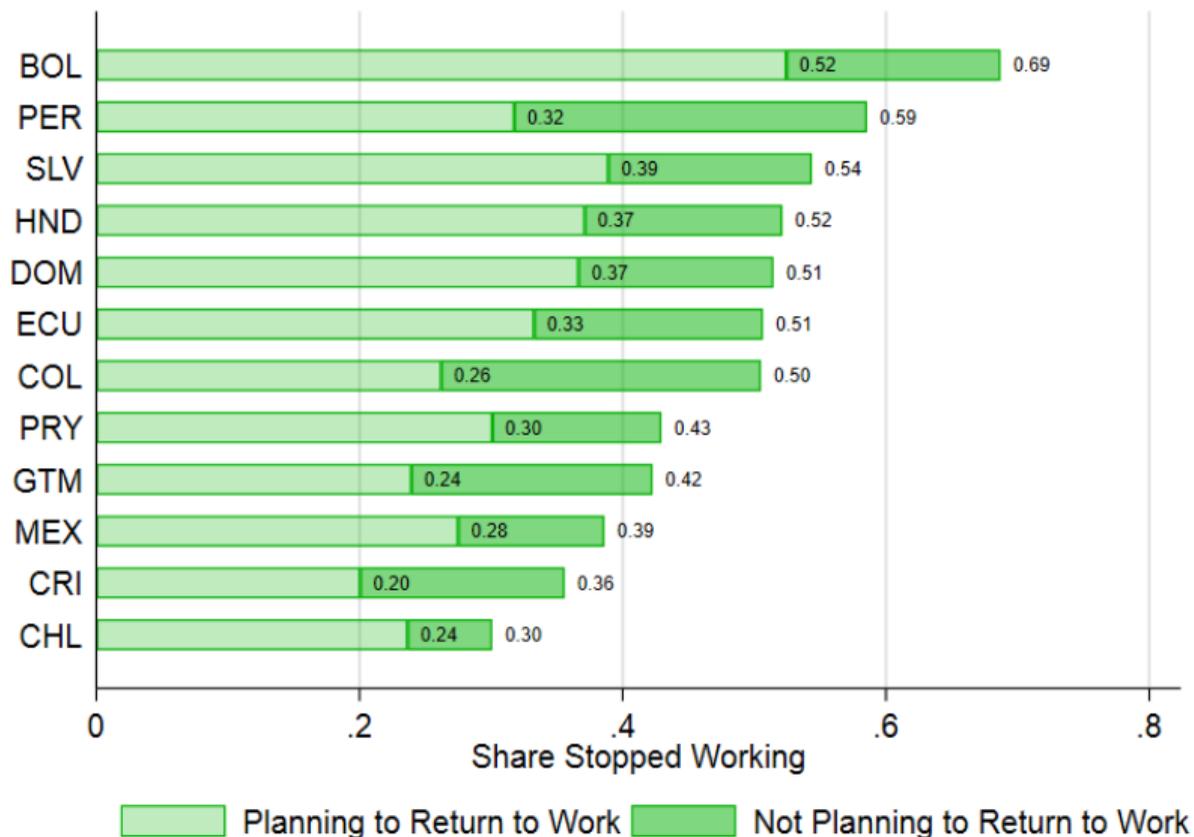


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Average: 34%

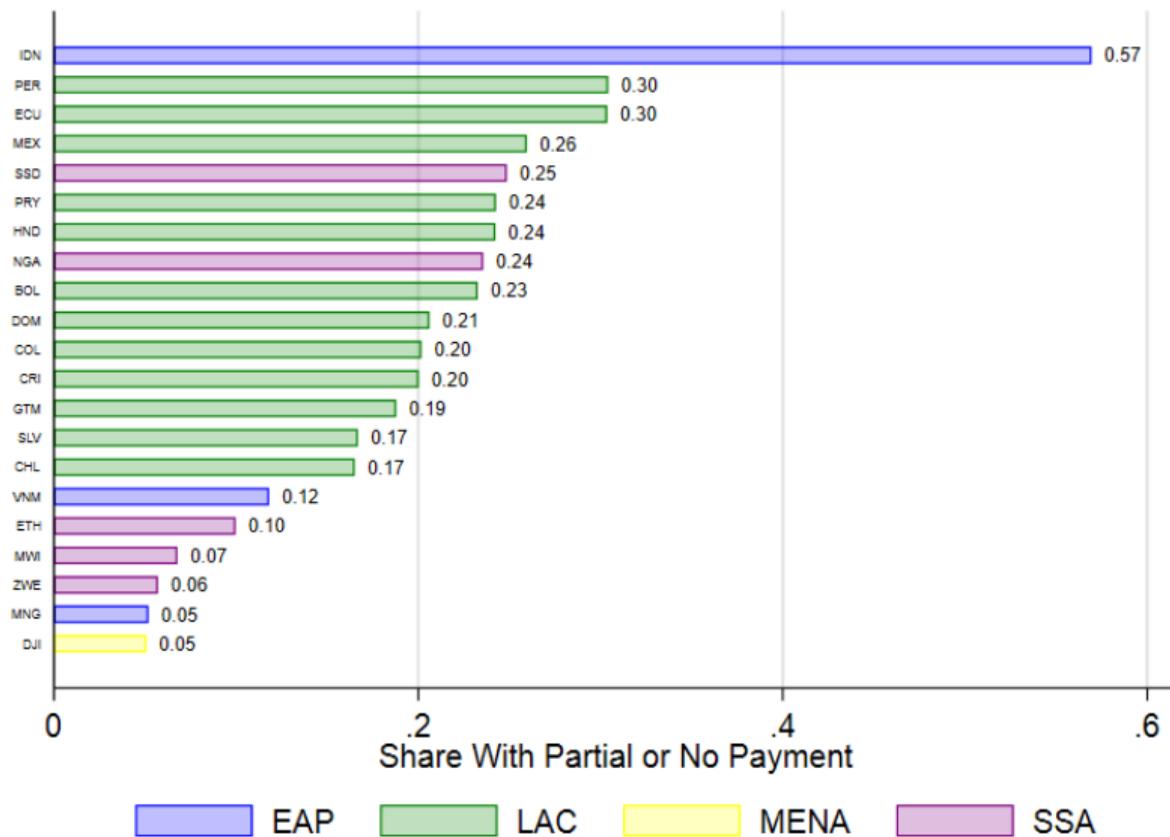


Share Stopped Working



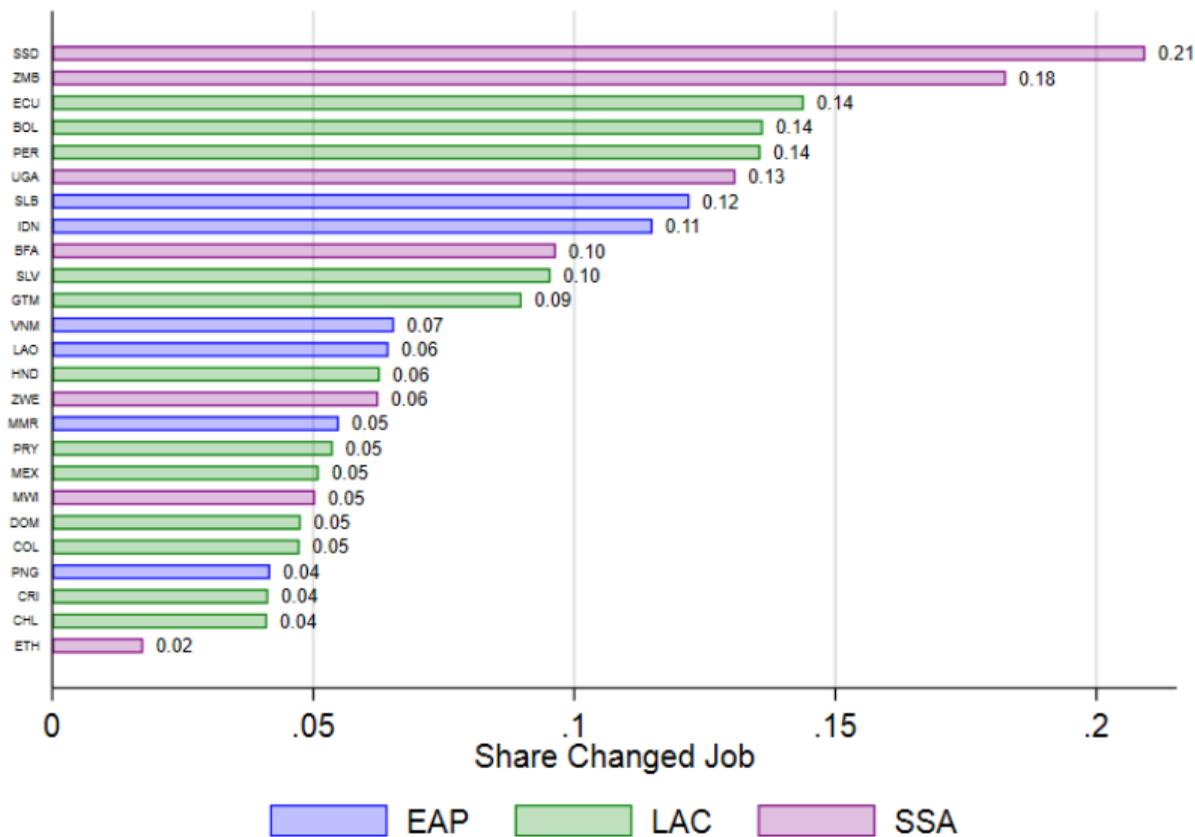
Share Wage Workers With Partial or No Payments

Average: 20%



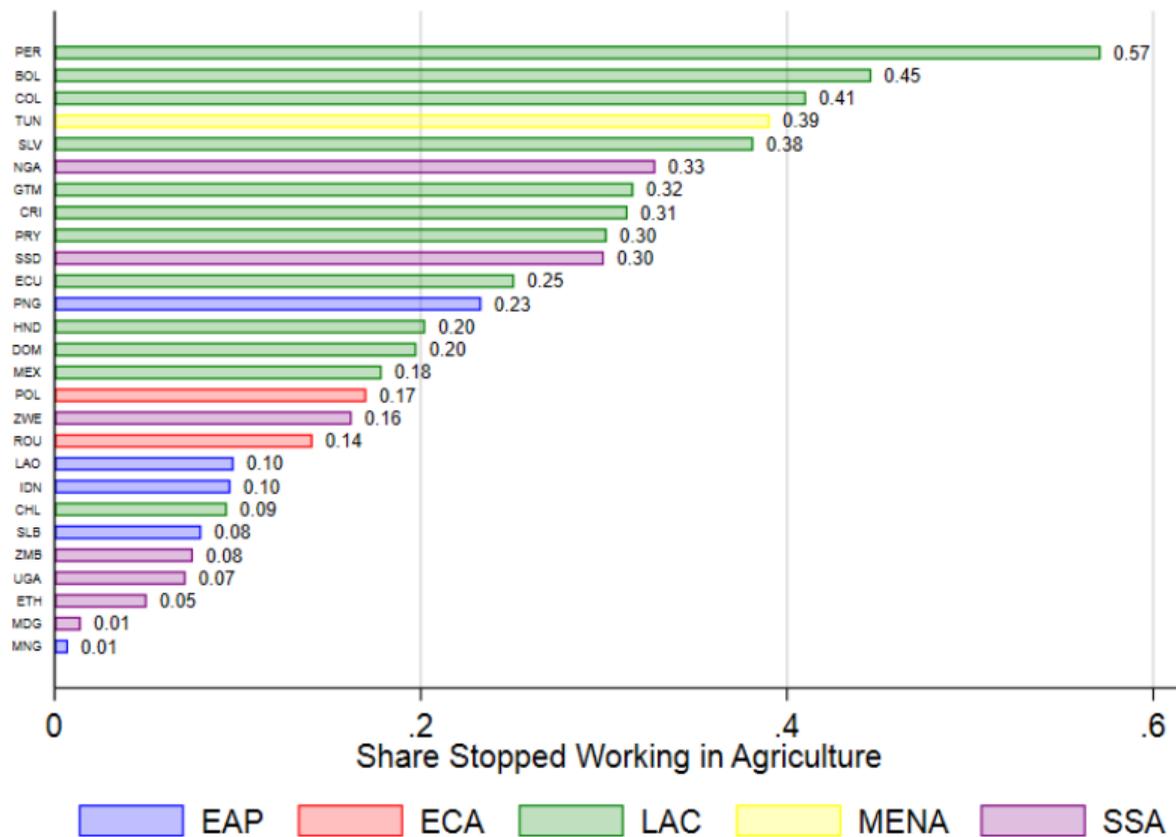
Share Changed Job During the Pandemic

Average: 9%



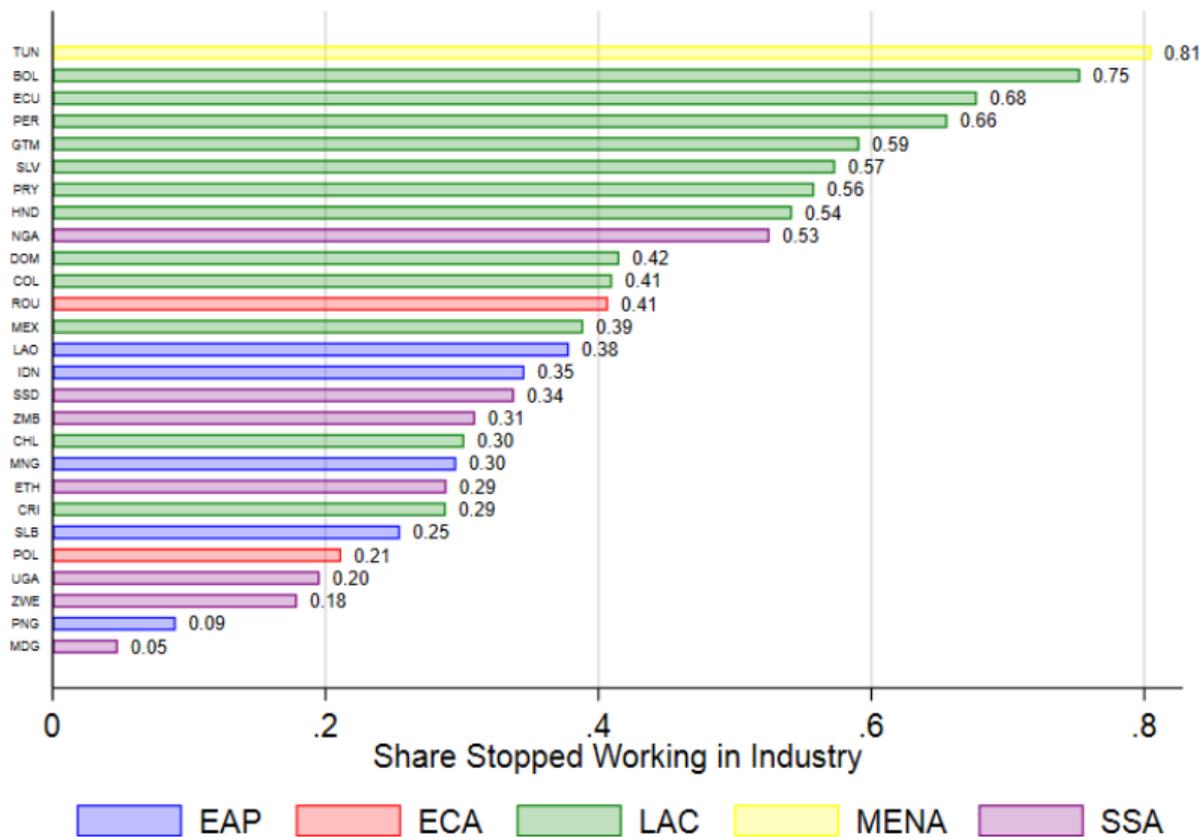
Share Stopped Working—Agriculture

Average: 22%



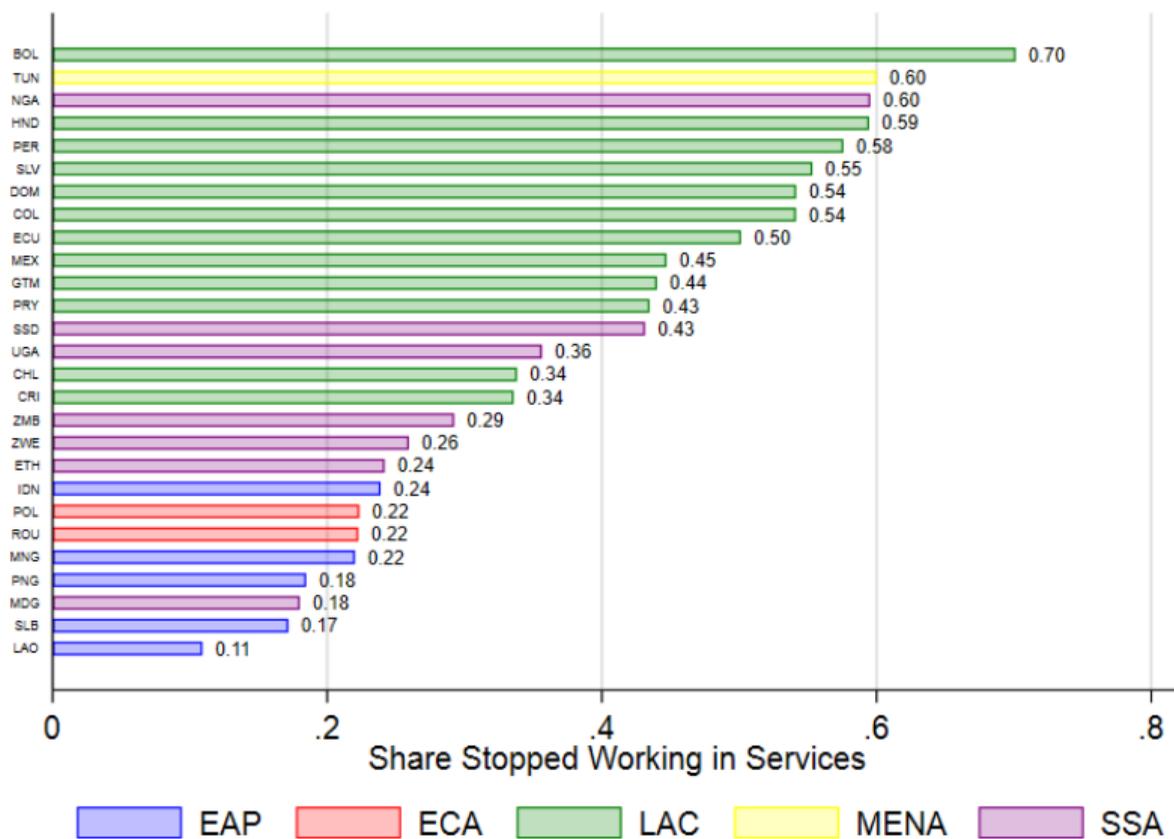
Share Stopped Working—Industry

Average: 40%



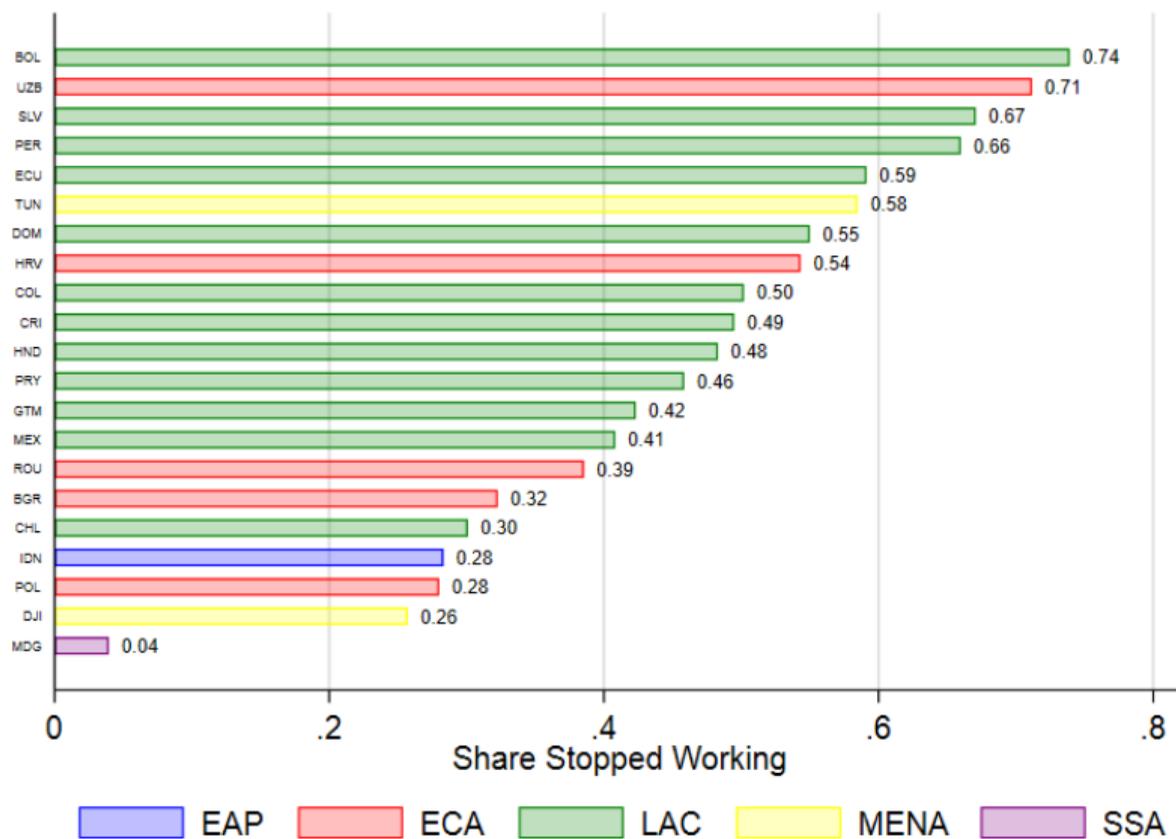
Share Stopped Working—Services

Average: 38%



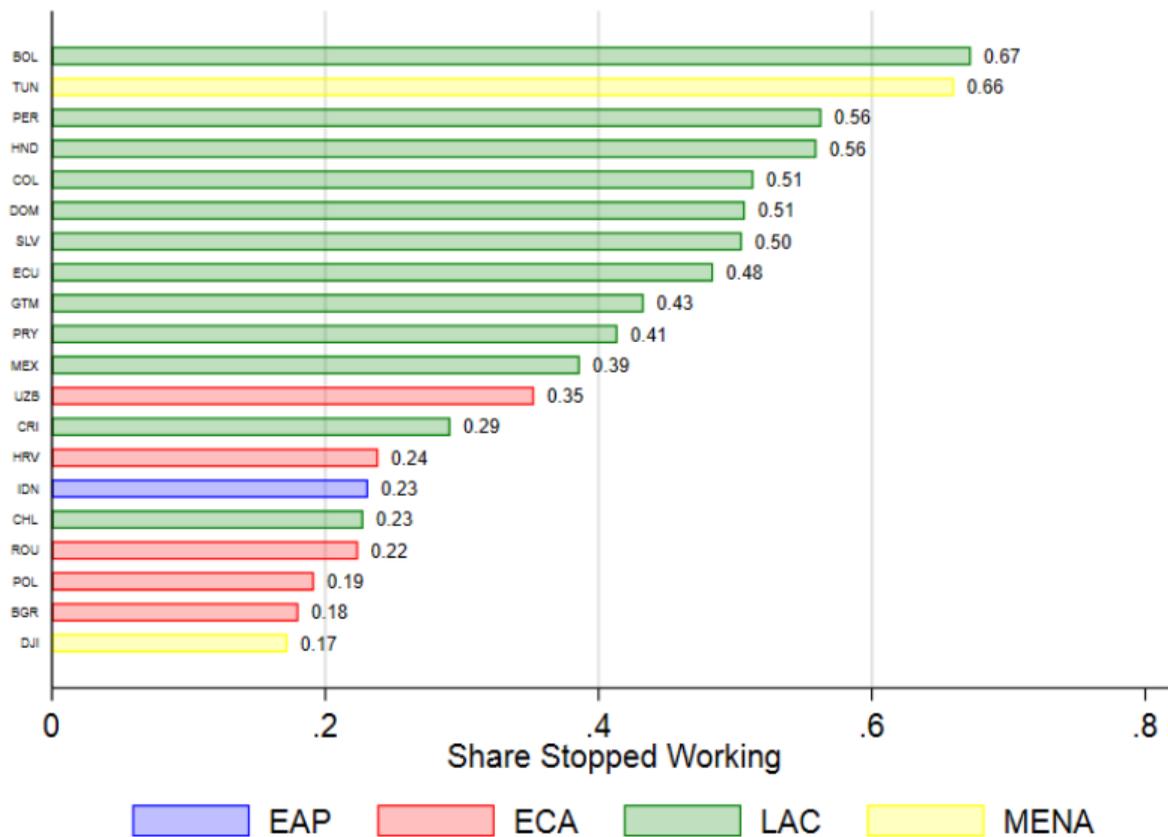
Share Stopped Working—Self-Employed

Average: 46%

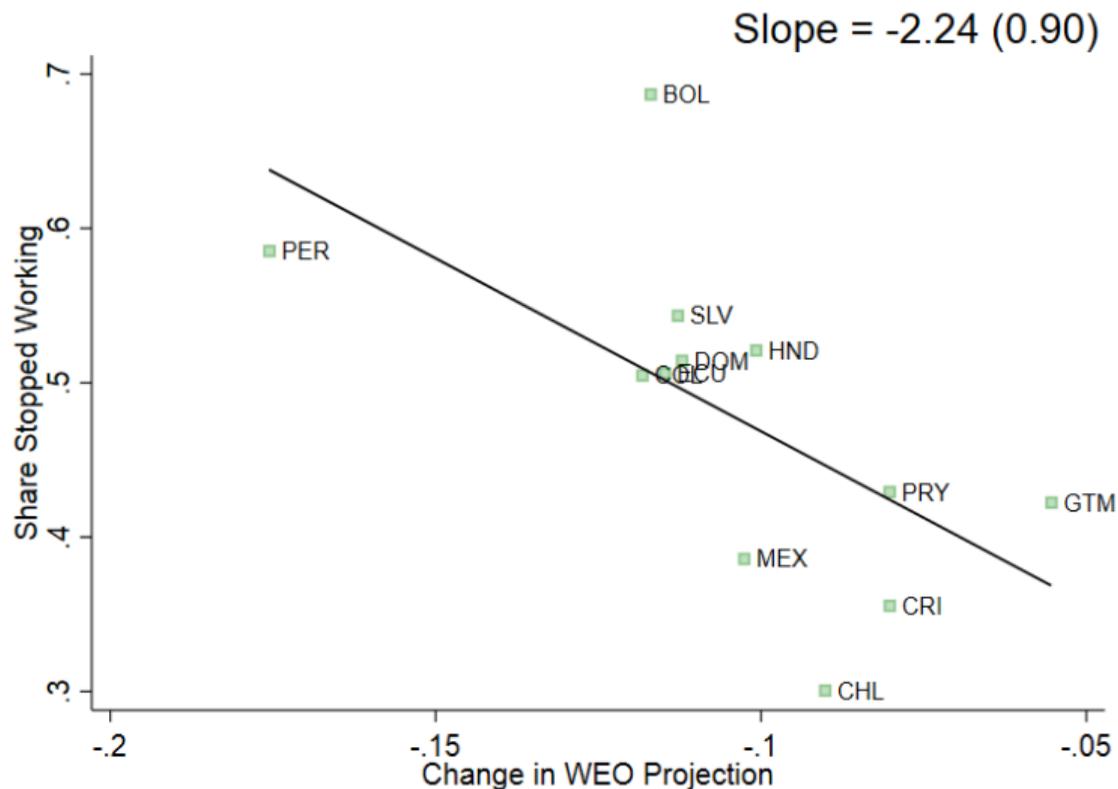


Share Stopped Working—Employee

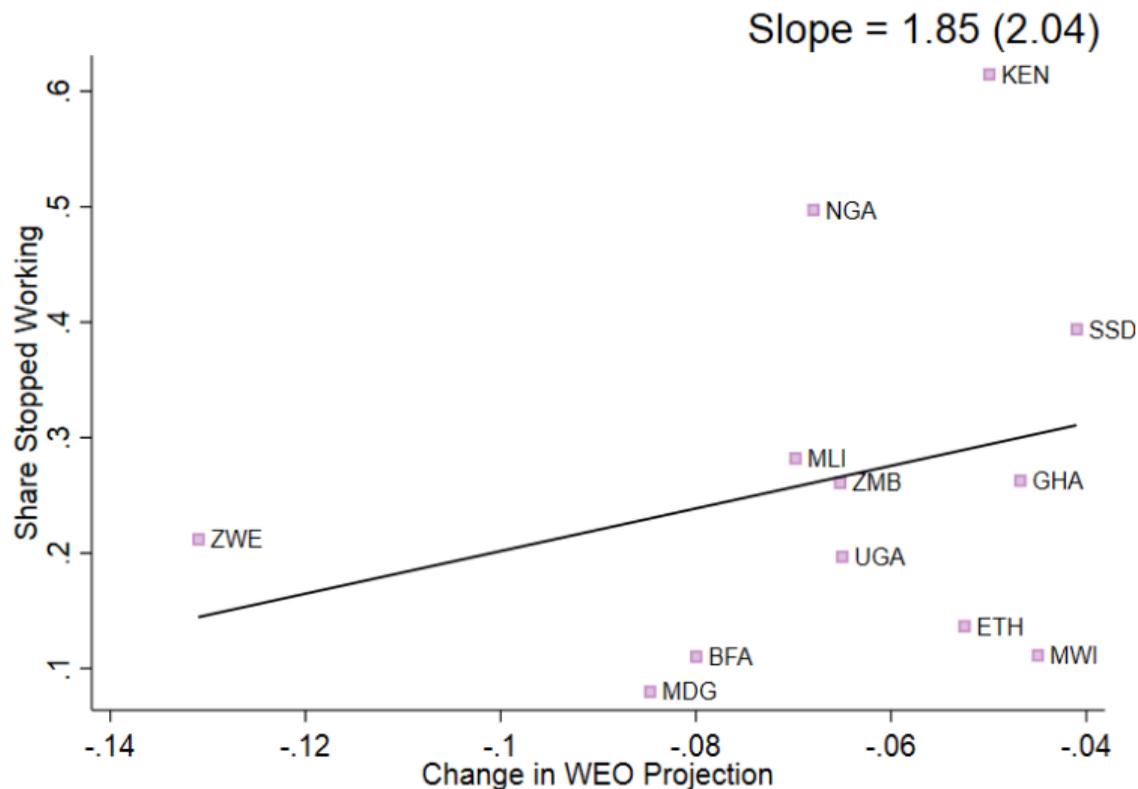
Average: 39%



HFPS Measure of Share Stopped Working vs Macroeconomic Projections—Latin America



HFPS Measure of Share Stopped Working vs Macroeconomic Projections—Sub-Saharan Africa



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 - ▶ Lack of social insurance
- ▶ **Consistent with macroeconomic estimates in Latin America but not in Sub-Saharan Africa**
 - ▶ Importance of informal sector?
 - ▶ Highlights the value of high-frequency surveys in uncovering “on-the-ground” impacts

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 - ▶ Importance of informal sector?
 - ▶ Highlights the value of high-frequency surveys in uncovering “on-the-ground” impacts
- ▶ **Planned work: analyze recovery and further pandemic waves using further survey waves**
 - ▶ Also opportunity to use data over time to understand effects of policies in the developing world