RESULTS OF MONGOLIA COVID-19 HOUSEHOLD RESPONSE PHONE SURVEY (ROUND 5)

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WORLD BANK GROUP
Poverty & Equity

NATIONAL STATISTICS OFFICE OF MONGOLIA

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MONGOLIA COVID-19 HOUSEHOLD RESPONSE PHONE SURVEY (HRPS)

- To monitor the household-level impacts of COVID-19 nearly in “real-time”, the National Statistics Office of Mongolia (NSO) and the World Bank have implemented a joint COVID-19 Household Response Phone Survey (HRPS) since May 2020. This presentation summarizes key findings of the fifth round of the HRPS that was implemented from June 14 to 23, 2021. The data collection of the Rounds 4 and 5 surveys was financially supported by the Asian Development Bank.
  - Round 5 of the HRPS was based on a sample of 1,046 households in urban and rural areas and across four locations (Ulaanbaatar/aimag center/soum center/countryside).
  - The presentation also includes analysis comparing Round 5 to previous rounds. The Round 1 survey was implemented from May 22 to 29, 2020, Round 2 survey from August 31 to September 7, 2020, Round 3 survey from December 3 to 14, 2020, and Round 4 survey from April 19 to 30, 2021.

SURVEY TIMING AND GOVERNMENT CONTAINMENT MEASURES

Timeline of pandemic and Government containment measures

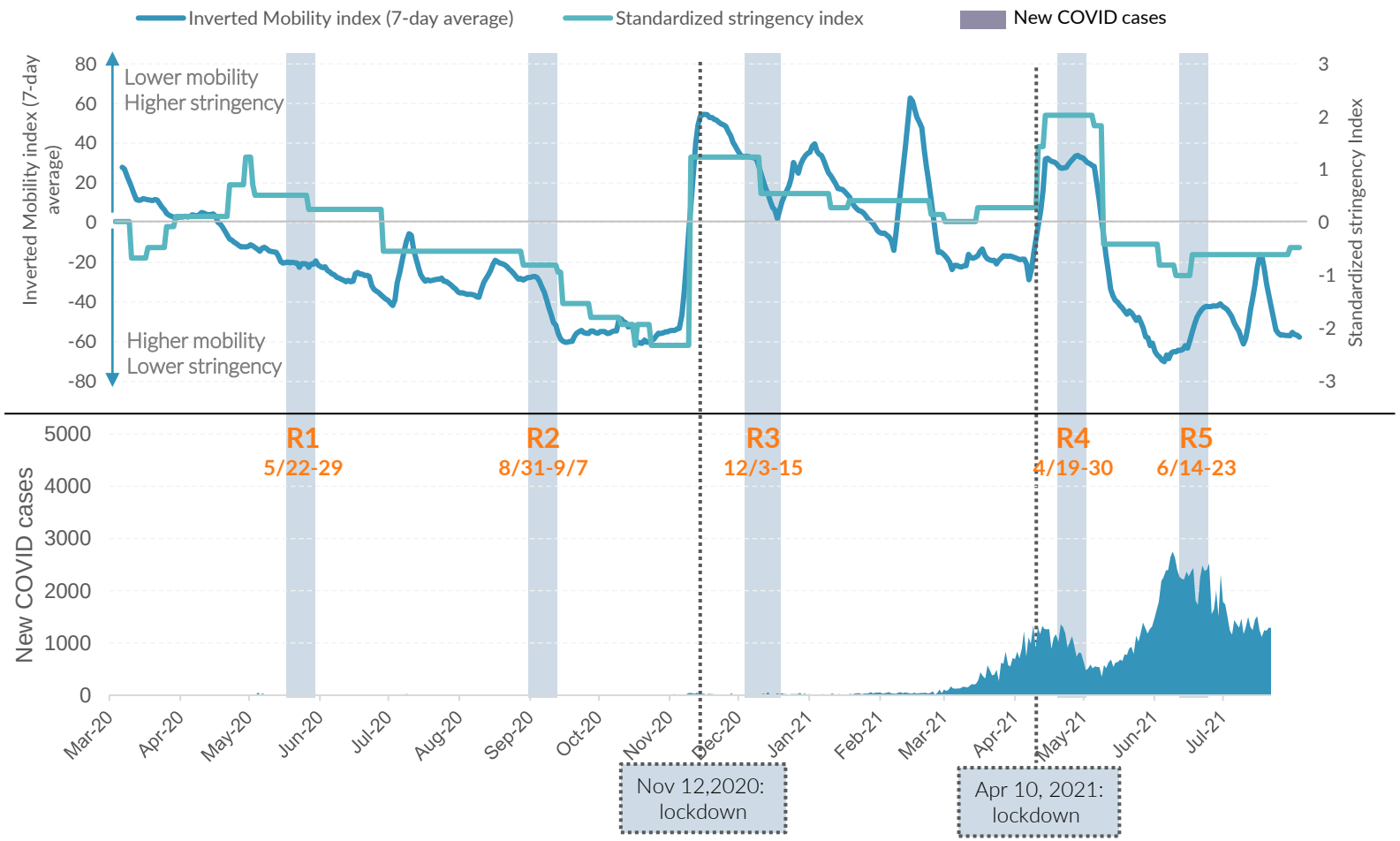
2020

- **January** – Closed borders with China, restricted international travel
- **May 31** – Measures lifted
- **Sep 1** – Schools reopen
- **Nov 12** – After first domestic transmission of COVID-19, Government of Mongolia imposes strict lockdown measures (2nd lockdown), which includes workplace closures
- **Dec 14** – Lockdown eased but most measures including school closures and ban on public gatherings remain effective
- **Dec 23** – Strict lockdown measures reinstated

2021

- **Apr 10** – After several days of more than 400 cases (on average) per day, the Government implements highest level of severity for lockdown measures
- **April** – During the R4 survey, on average, about 1,150 daily new cases were observed
- **June** –Over 2,000 daily new cases were recorded every day during the R5 survey due to the delta variant wave

Timing of HRPS within government containment measures, COVID cases, and mobility changes(1)



Note: (1) Oxford Stringency index reflects levels of Government's containment and closure policies in response to COVID-19 (OxCGRT). The mobility index represents the average change in time spent at grocery/pharmacy stores, retail/recreation, parks, transit stations, and workplaces compared to a baseline period (January 2020) based on Google COVID-19 Community Mobility Reports. In the figure, the mobility index has been inverted so that higher values indicate lower mobility, and the stringency index has been standardized such that zero represents the average over the shown time period.

KEY FINDINGS (Round 5)

Work stoppages(1) slightly increased between April and June 2021, particularly among the poor and women

- Among all respondents who worked pre-pandemic, 37 percent were out of work by Round 5 (June 2021), 6 percentage points more than in Round 4 (April 2021)
- Between Rounds 4 and 5, women's work stoppage increased by 10 percentage points to 42 percent, while there is no significant change for men (27 percent). Among female respondents who were out of work in Round 5, more than 70 percent reported no jobs to return to, signaling potentially long-term or permanent job losses for women
- Workers in the bottom 40 percent of households were 10 percentage points more likely than the top 60 workers to stop working in Round 5, indicating setbacks for equal recovery across welfare groups
- Employment in agriculture and industry sectors continued to show improvement between Rounds 4 and 5, while employment recovery in service sectors seen in Round 4 was partially offset in Round 5

Significantly more non-farm businesses re-opened after the April 2021 lockdown, showing signs of recovery in business incomes

- Between Rounds 4 and 5, the share of non-farm businesses that were fully open increased from 18 to 65 percent
- In Round 5, business incomes saw the most recovery since last September (Round 2). Nearly 3 in 10 businesses reported higher or similar incomes relative to pre-pandemic, which is more than a twofold increase from Rounds 3 (Dec 2020) and 4 (April 2021)
- While 7 in 10 businesses still experienced losses in income relative to the pre-pandemic, the magnitude of these losses appear to be declining in Round 5

Note: (1) The definition of "work stoppage" in HRPS refers to those who did not work for permanent or temporary reasons in the week prior to the survey while they had worked in previous rounds or pre-pandemic

KEY FINDINGS (Round 5)

- **Agricultural households had continuous improvements in Round 5, but rising input prices remain a concern for herders and farmers**
  - In Round 5, nearly 1 in 4 farming/herding households experienced an income increase and another 1 in 2 households maintained about the same income levels compared to the same time last year
  - Despite continued improvement in agricultural incomes, 70 percent of agricultural households in Round 5 reported increasing input prices for fertilizer and livestock feed compared to the previous year
- **While a recovery in total household income was seen between April and June, 3 in 10 households were still making less than what they had been pre-pandemic**
  - The share of households reporting decline of income relative to the previous survey round declined from 33 to 20 percent between Rounds 4 and 5. Despite signs of improvement, nearly 30 percent of households reported household incomes remained depressed compared to the pre-pandemic and magnitudes of income losses are not trivial
- **Poor households are more likely to reduce non-food consumption and adopt adverse coping mechanisms, raising concerns of potential long-term impacts on household wellbeing**
  - Food CPI inflation (YoY) jumped up to 12 percent in April and remained about 13 percent during the Round 5 survey. The share of households with adverse shocks (mainly due to food price hikes) increased from 75 to 80 percent between Rounds 4 and 5
  - Poor households are more likely than the non-poor counterparts to reduce non-food consumption and take detrimental coping strategies which increased indebtedness or involved the sale of assets. These coping strategies could lead to lingering negative impacts on their future wellbeing

KEY FINDINGS (Round 5)

- **Child Money Program (CMP) benefits helped mitigate adverse effects of income shocks. The poor mostly spent cash benefits for purchasing food while half of non-poor recipients saved them**
  - 90 percent of CMP beneficiaries reported CMP has contributed to mitigating adverse shocks completely or partially
  - 73 percent of poor households were planning to spend CMP benefits over a short time, primary for purchasing food, while nearly half of non-poor recipients plan to save the money for later use
  - More than 70 percent of respondents agreed that the government's COVID-19 social protection responses reached the poorest people who needed support during the pandemic
- **The poor and those affected by the pandemic are less likely to access sufficient, healthy and diverse foods**
  - The poor and households with pandemic-induced income losses are 8-26 percentage points more likely to be moderately food insecure, increasing potential long-term risks of child malnutrition and productivity among these families
- **Due to the surge of delta variant, 1 in 5 households who needed medical treatment could not receive it**
  - The urban-rural gap in access to health care services has narrowed since April but still 19 percent of households could not receive treatment immediately, mainly due to fears of COVID-19 infection and full capacity at hospital facilities
- **Since April, 1 in 4 households with loans were not able to repay on-time**
  - Particularly, poor households with loans are 5 percentage points more likely than the non-poor to be unable to make scheduled repayments

Survey Overview (Round 5)

- **Data collection period (Round 5):** June 14-23, 2021
- **Sample frame:** Sub-sample of 2018 Household Socio-Economic Survey (HSES)
- **Sample size and response rate:** 1,046 households, 96.4 percent (out of 1,085 households interviewed in Round 4)
- **Average interview time:** 14.0 min
- **Representativeness:** Nation, urban/rural, and location (UB/aimag center/soum center/countryside)
- **Implementation method:** Computer-assisted telephone interviewing (CATI)
- **Sampling weights:** Weights were calculated by following the approaches outlined in Himelein, K (2014)[1].

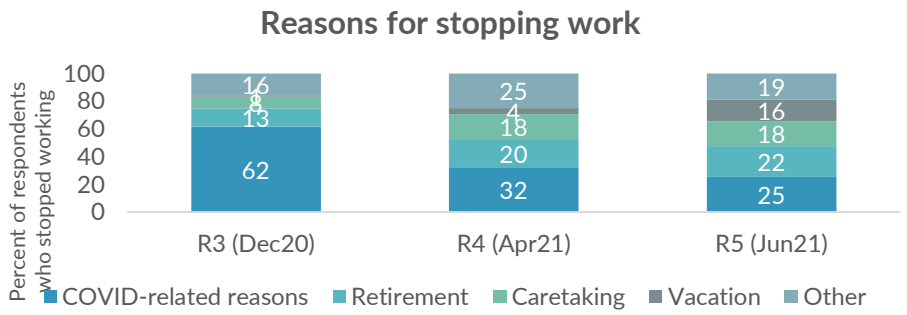
	Round 1	Round 2	Round 3	Round 4	Round 5
Data collection period	May 22 to 29, 2020	August 31 to September 7, 2020	December 3 to 15, 2020	April 19 to 30, 2021	June 14 to 23, 2021
Number of respondents	1,333 households	1,212 households	1,147 households	1,085 households	1,046 households
Response rate	66.7 percent (out of 2,000 households sub-sampled from 2018 HSES)	90.9 percent (out of 1,333 households interviewed in Round 1)	94.6 percent (out of 1,212 households interviewed in Round 2)	94.6 percent (out of 1,147 households interviewed in Round 3)	96.4 percent (out of 1,085 households interviewed in Round 4)

Note: 1. Himelein, K. (2014). "Weight Calculations for Panel Surveys with Subsampling and Split-off Tracking." Statistics and Public Policy

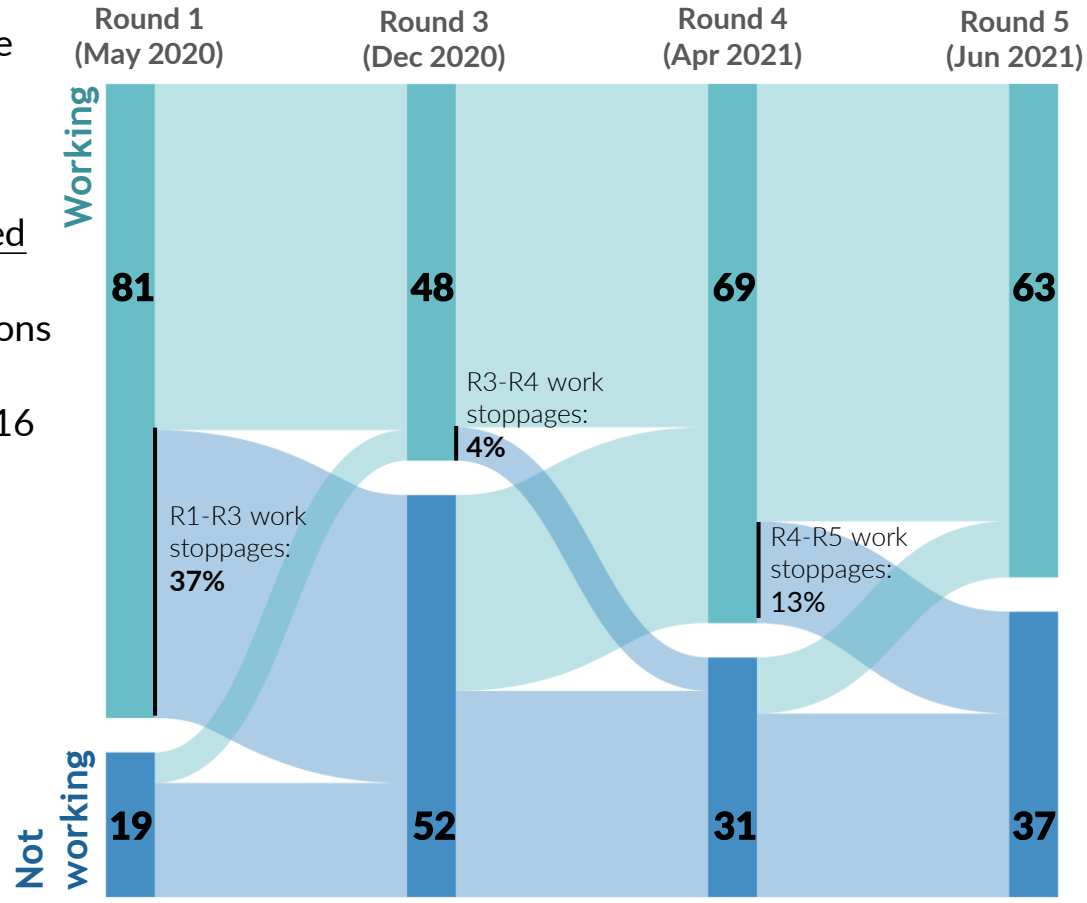
Employment: Work stoppage under the pandemic (1)

Work stoppages[1] increased slightly between April and June 2021, but COVID-induced work stoppages declined over time

- Work stoppages have increased:
  - Among respondents who were working pre-pandemic, 37 percent were not working in Round 5 -- 6 percentage points more than in Round 4
  - 13 percent of respondents were working in Round 4 but no longer working in Round 5
- Work stoppages directly related to COVID restrictions or illness have declined over time
  - 25 percent of work stoppages in Round 5 were due to COVID restrictions or illness/quarantine (62 percent in R3, 32 percent in R4)
  - More respondents stopped working to take vacation (4 percent in R4, 16 percent in R5)
  - Increased reports of retirement (18 percent) and caretaking (20-22 percent) seen in Rounds 4 and 5 may also be pandemic-induced



Change in employment between R1 and R5 (Among respondents working pre-pandemic)[2]

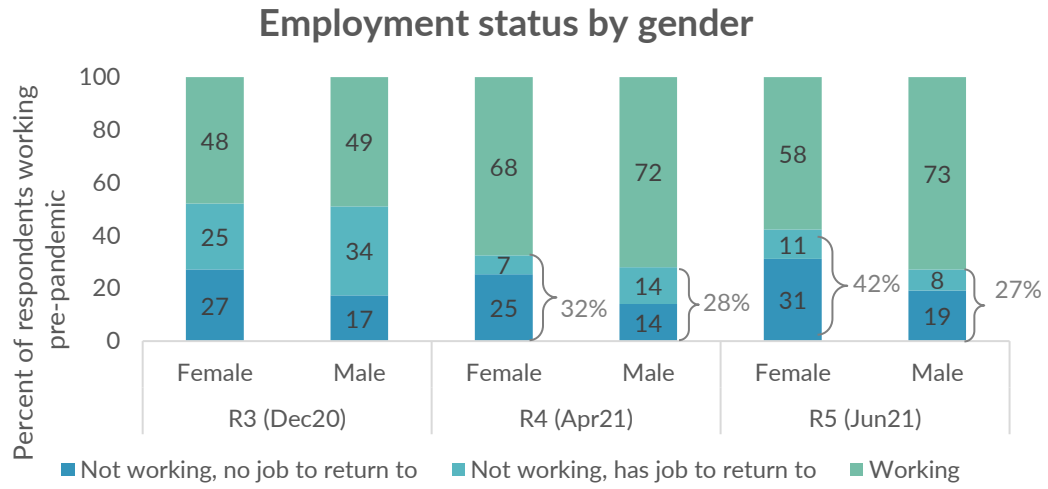


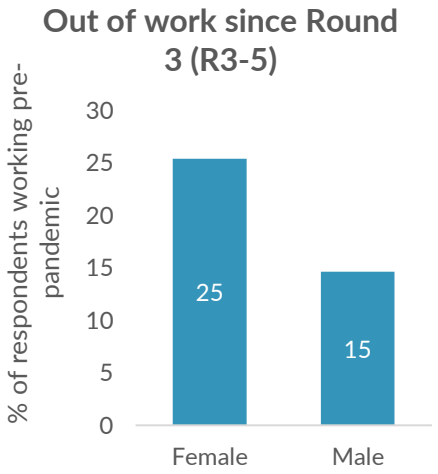
Note: (1) The definition of "work stoppage" in HRPS refers to those who did not work for permanent or temporary reasons in the week prior to the survey while they had worked in previous rounds or pre-pandemic
(2) The sample is restricted to subjects of the employment module who were the same across all rounds and working pre-pandemic (N=656).

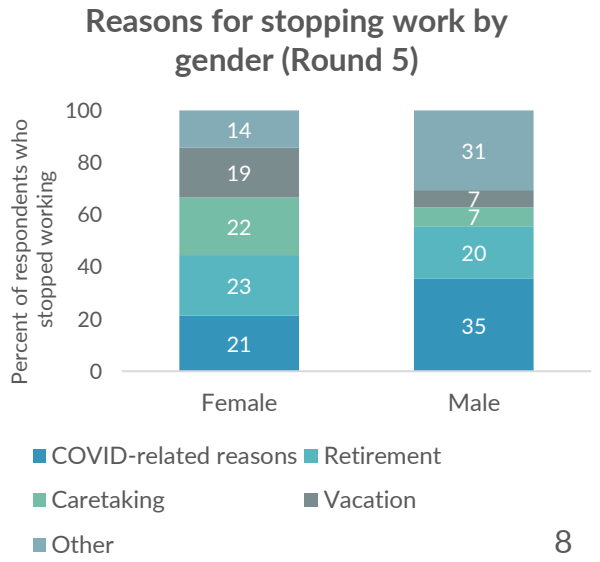
Employment: Work stoppage under the pandemic (2)

Women were more likely than men to experience long-term or permanent work stoppages

- In Round 5, women were more likely than men to stop working
  - Among respondents working pre-pandemic, 42 percent of women and 27 percent of men stopped working by Round 5
  - Between Rounds 4 and 5, women's work stoppage increased by 10 percentage points while there is no significant change for men. Among female respondents who were out of work in Round 5, more than 70 percent reported no jobs to return to, signaling potentially permanent job losses
  - This finding is consistent with the labor force survey which reported the female labor participation rate has dropped below 50 percent for the first time in the past 15 years
- This may be due to lower job security among women and greater responsibilities at home
  - Women have consistently been less likely than men to have a job to return to (26 percent less likely in R3, 48 percent in R4)
  - 22 percent of women who had stopped working in Round 5 cited caretaking duties as the primary reason, while only 7 percent of men did so





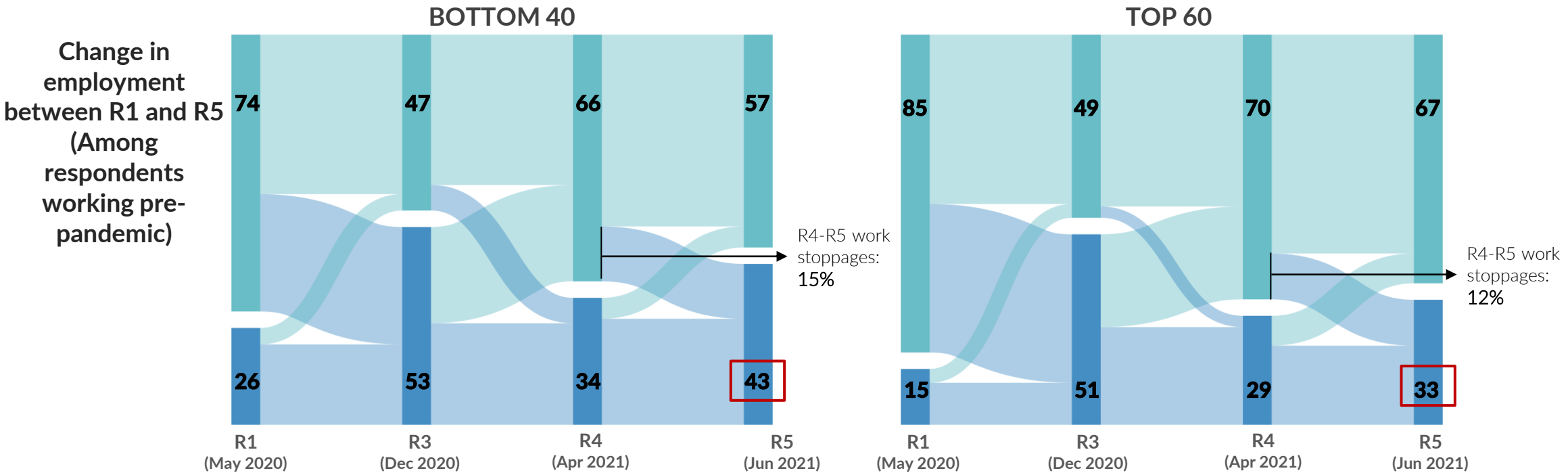


Note: The sample is restricted to subjects of the employment module who were the same across all rounds and working pre-pandemic (N=656).

Employment: Work stoppage under the pandemic (3)

Poorer workers were more likely to stop working in Round 5, suggesting setbacks for equal recovery across welfare groups

- In Round 5, workers in the bottom 40 percent of households were 29 percent (10 percentage points) more likely than workers in the top 60 to stop working
- Between Rounds 4 and 5, work stoppages increased by 27 percent for the bottom 40 and 15 percent for the top 60
- Differences between the bottom 20 and the top 80 are even starker: workers in the poorest quintile (bottom 20) have consistently been less likely to have a job to return to. In Round 5, bottom 20 workers were 70 percent more likely to be out of work since Round 3 and 64 percent more likely to not have a job to return to



Note: The sample is restricted to subjects of the employment module who were the same across all rounds and working pre-pandemic (N for Top 60 = 430, N for Bottom 40 = 226)

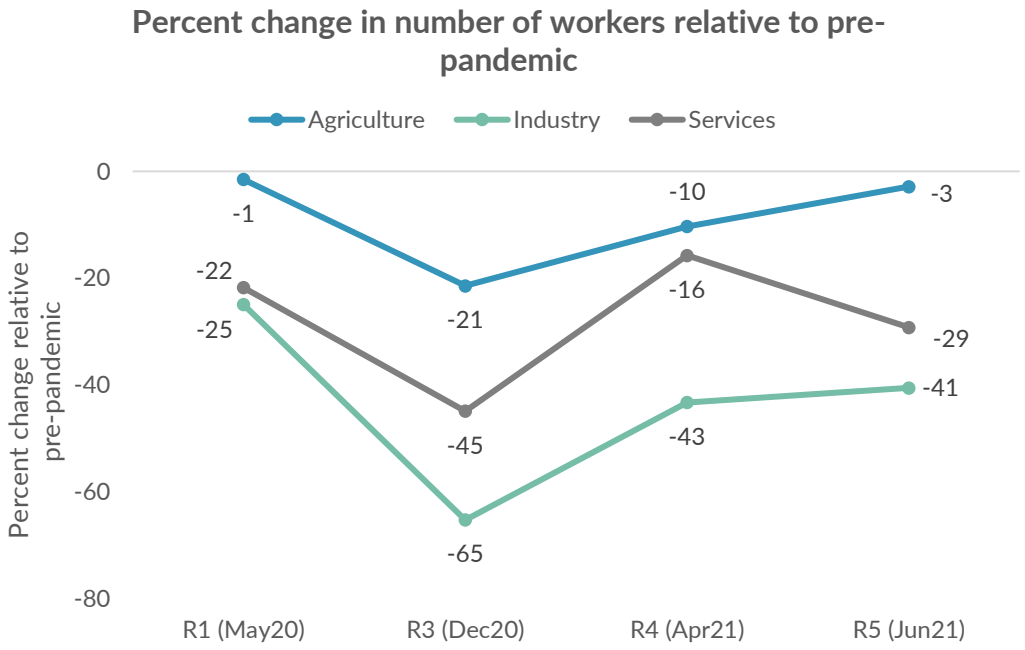
Employment: Work stoppage under the pandemic (4)

Agriculture and industry sectors continued to show improvement between Rounds 4 and 5

- Employment in agriculture grew by 7 percentage points between Rounds 4 and 5 and returned to nearly pre-pandemic levels in Round 5
- Employment in industry sectors also grew between Rounds 4 and 5 but marginally (2 percentage points)

Employment recovery in service sectors seen in Round 4 was partially offset in Round 5

- In Round 5, employment in services was 29 percent lower than it was pre-pandemic, a 13 percentage point decrease since Round 4
- Between Rounds 4 and 5, service sectors such as finance, education, health, and other service activities saw a decrease in employment, while other sectors such as transport, hospitality, and public administration saw little change
- Increased vacation time among workers in services in Round 5 explains part of this decline in employment but not all.
    - If those on vacation are not considered as being out of work, employment in the service sector was 22 percent lower relative to pre-pandemic in Round 5



Note: Each point represents the percentage change in the number of workers in a given sector at the time of the survey relative to pre-pandemic. The sample is restricted to respondents who were the same across all rounds and includes those who were not working pre-pandemic.

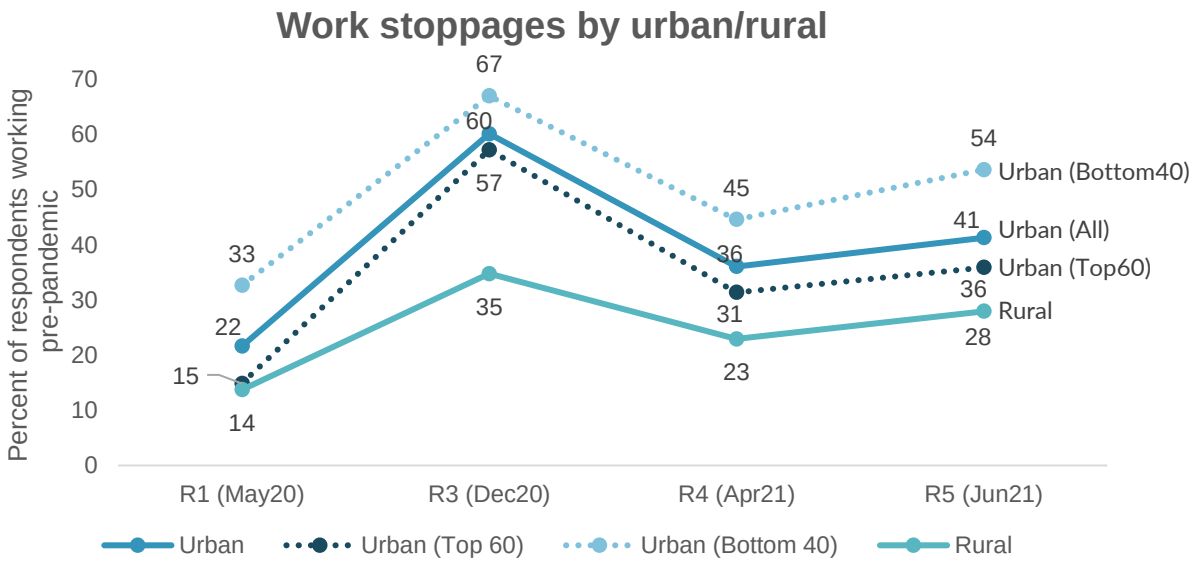
Employment: Work stoppage under the pandemic (5)

The increase in work stoppages between Rounds 4 and 5 has been similar in urban and rural areas, yet urban workers, particularly those from the bottom 40, are still more likely to be out of work in Round 5

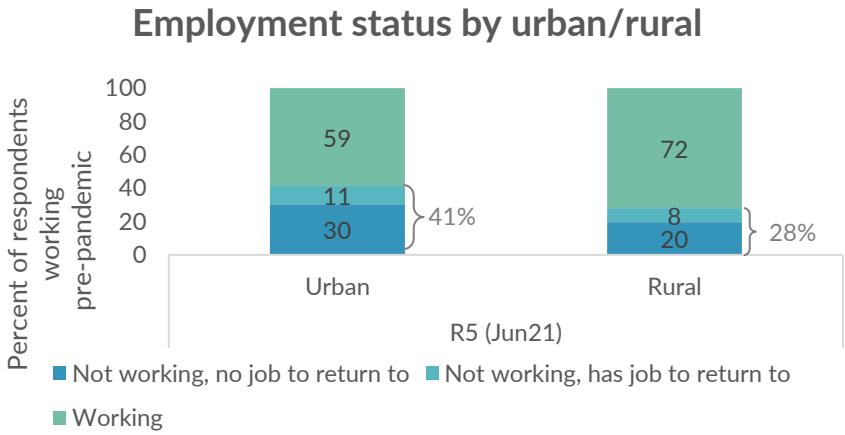
- Urban workers were 13 percentage points more likely than rural workers to be out of work in Round 5 – the same difference as in Round 4
- The fall in employment in services between Rounds 4 and 5 has translated into an increase in work stoppages for urban workers in Round 5
- In particular, work stoppage among urban workers from the bottom 40 percent of households increased by nearly 10 percentage points to 54 percent in Round 5, 18 percentage points higher than it was for the top 60

Urban workers may be more likely to experience long-term or permanent job losses

- In Round 5, 30 percent of urban respondents who worked pre-pandemic do not have a job to return to, by 10 percentage point more likely than rural workers



Note: Each point represents the share of respondents working pre-pandemic who were no longer working at the time of each survey.

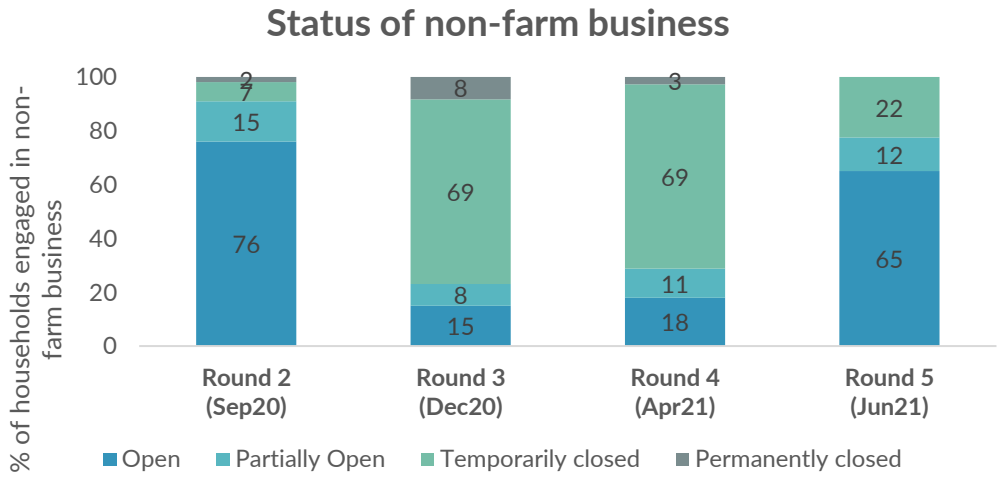


Note: The sample is restricted to respondents who were the same across rounds and working pre-pandemic.

Employment: Non-farm Business (1)

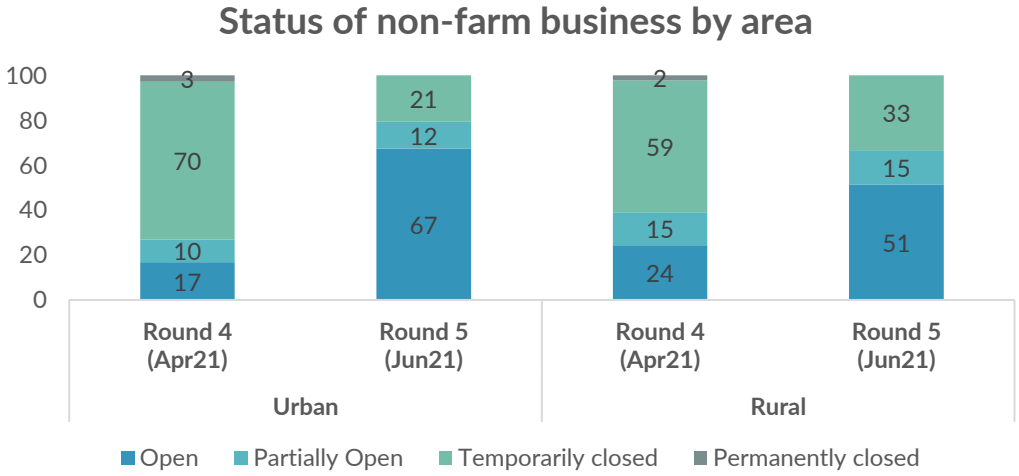
Re-openings among non-farm businesses have been significant between Rounds 4 and 5

- Between Rounds 4 and 5, the share of non-farm businesses that were fully open increased from 18 to 65 percent
- Businesses in the transportation and construction sectors saw the largest re-openings between Rounds 4 and 5
- Temporary closures decreased from 69 to 22 percent, and no businesses reported permanent closures in Round 5
- Among businesses that were partially open or temporarily close, 75 percent reported COVID-related reasons for not operating fully



Urban businesses were more likely than rural businesses to reopen fully between Rounds 4 and 5

- Almost 4 times more urban businesses were open in Round 5 compared to Round 4 (17 vs. 67 percent)
- In Round 5, about two-thirds of urban businesses were open, compared to about half of rural businesses
- In rural, about twice as many rural businesses were open in Round 5 than in Round 4 (24 vs. 51 percent)

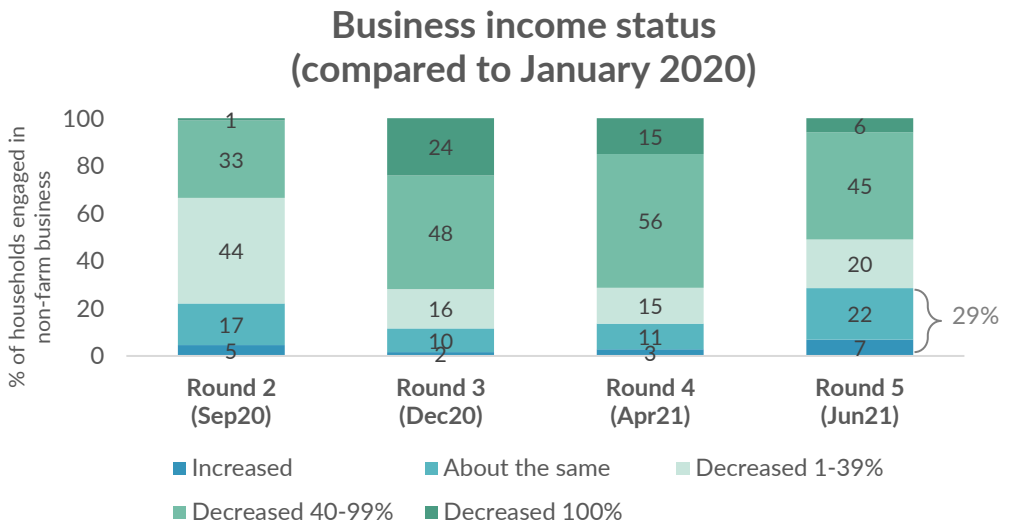


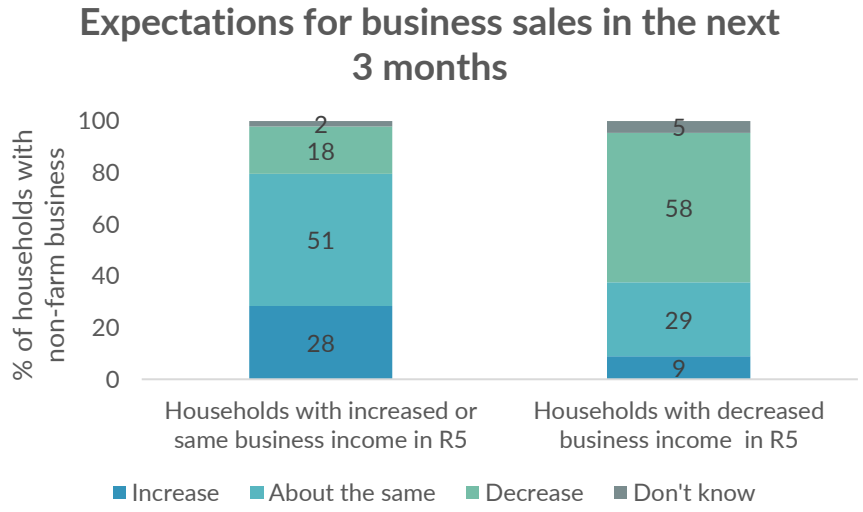
Note: In Round 5, 20 percent of total households were engaged in non-farm business activity since Round4. About 4 percent of households were no longer engaged in non-farm business in Round 5 despite being engaged in Round 4. This was offset but another 3 percent of households reporting being engaged in Round 5 but not in Round 4.

Employment: Non-farm Business (2)

As businesses reopened, signs of income recovery were evident, yet losses continue to be significant for most businesses

- In Round 5, business incomes saw the most recovery since Round 2:
  - The share of businesses that reported higher or similar incomes in Round 5 relative to pre-pandemic (January 2020) was 29 percent – more than a twofold increase from Rounds 3 and 4 and higher than in Round 2
  - Businesses in industry and transportation sectors were more likely to report increased or similar income
- Still 7 in 10 businesses experienced losses in income relative to the pre-pandemic, but the magnitude of these losses appear to be declining since Round 3:
  - Among businesses that faced income reductions, 72 percent experienced losses of 40% or greater in Round 5, while about 82 percent did so in Rounds 3 and 4
- Business prospects are more optimistic among businesses that have recovered or not have been affected by the pandemic
  - In Round 5, businesses whose income increased or stayed the same compared to January 2020 were three times as likely as businesses that experienced an income reduction to expect sales to increase in the next three months, and 1.8 times more likely to expect sales to stay the same





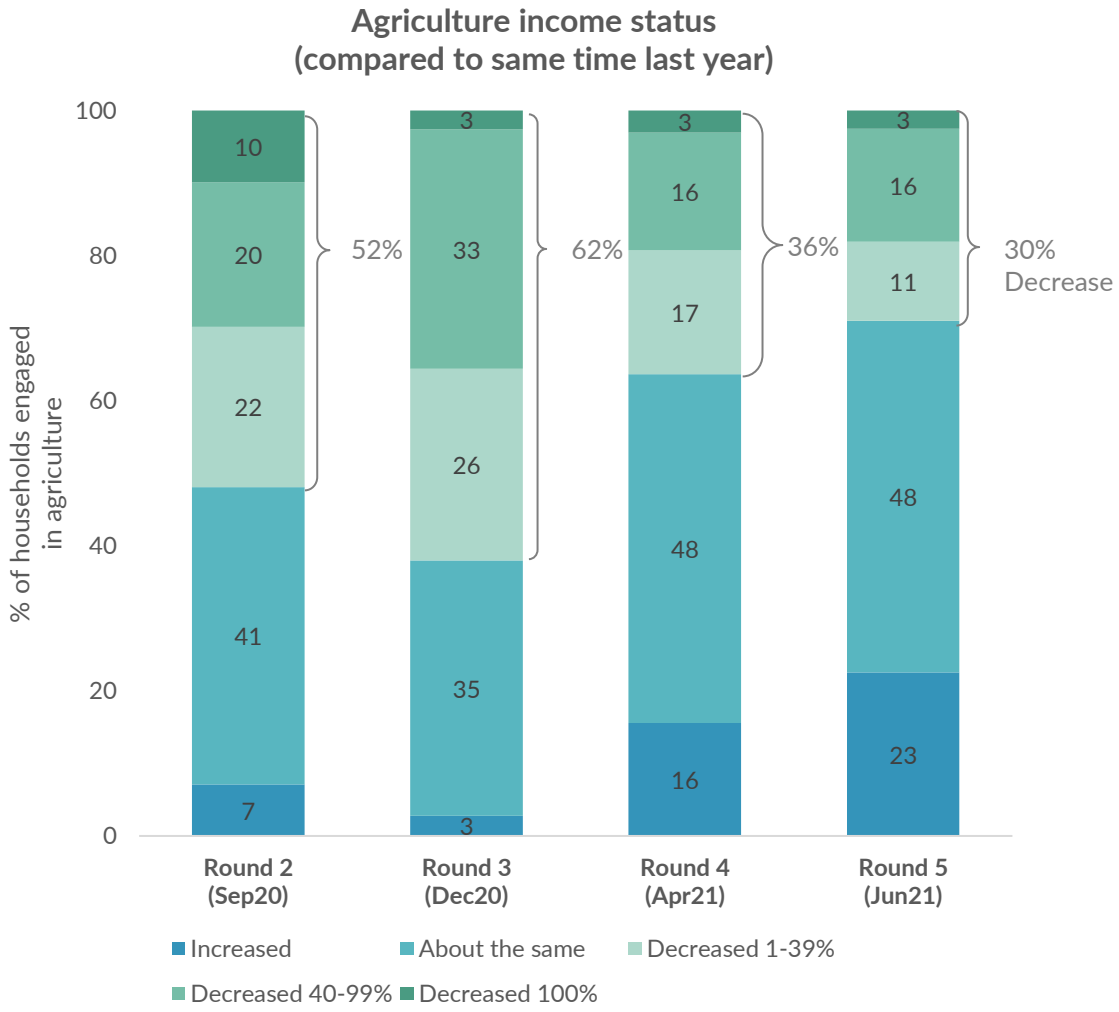
Note: R4 survey asked the status of non-farm business as of the interview timing which is any day between April 19 and 30 during the April lockdown

Note: Income changes are relative to January 2020

Employment: Agriculture (1)

Improvements in agricultural incomes have continued in Round 5 although at a slower pace

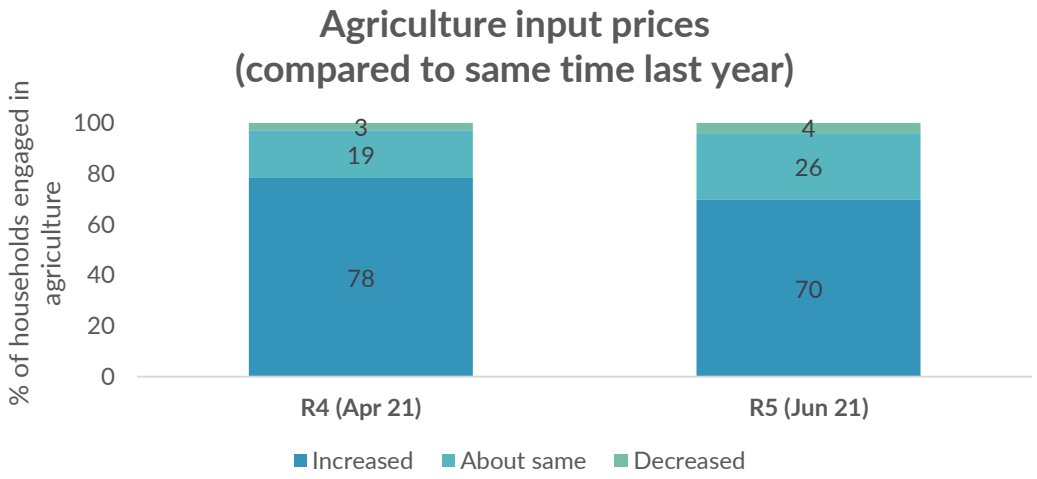
- About 21 percent of households in Round 5 were engaged in farming/herding activities and nearly 100 percent of households were able to perform their normal activities
- In Round 5, nearly 1 in 4 farming/herding households experienced an income increase and 1 in 2 households kept about the same income levels since the same time last year
- In Round 5, 30 percent of households, about 6 percentage points lower than in Round 4, experienced an income decline
  - Most of this decrease can be attributed to a lower share of agricultural households that experienced a reduction in income of 40% or less
  - This change, however, was lower than between Rounds 3 and 4, during which the prevalence of income losses decreased by 26 percentage points

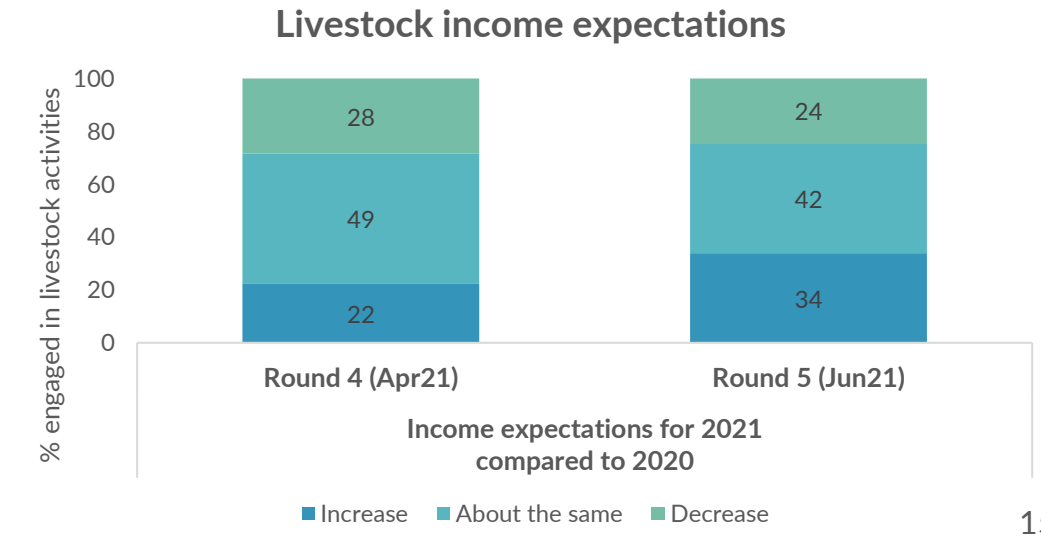


Employment: Agriculture (2)

High input prices remain a concern for many herders and farmers

- Despite continuous improvements in agricultural incomes, 70 percent of agricultural households in Round 5 reported increasing input prices for fertilizer and livestock feed compared to the previous year (8 percentage point improvement since Round 4)
- Expectations for agricultural income in 2021 have improved since Round 4:
  - 34 percent of herder households expect their income to increase relative to 2020 – a 12 percentage point increase from Round 4
    - The primary reason for higher income expectations is due to increases in the price of livestock output (93 percent)
  - Yet a quarter of herder households still expect income to decrease, primarily due to COVID-19 related changes, and decreases in production/ownership of livestock





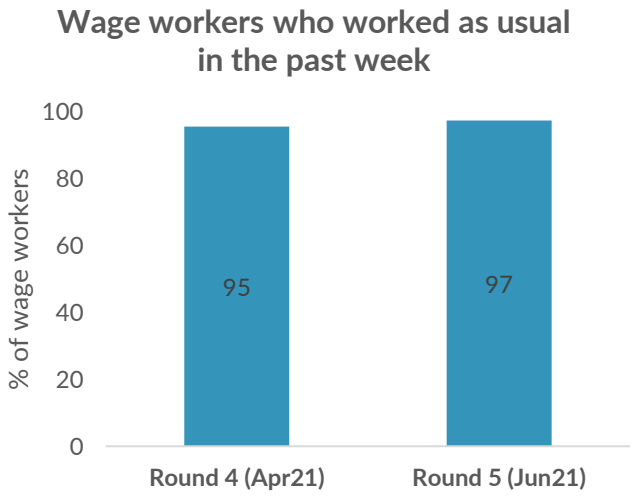
Employment: Wage

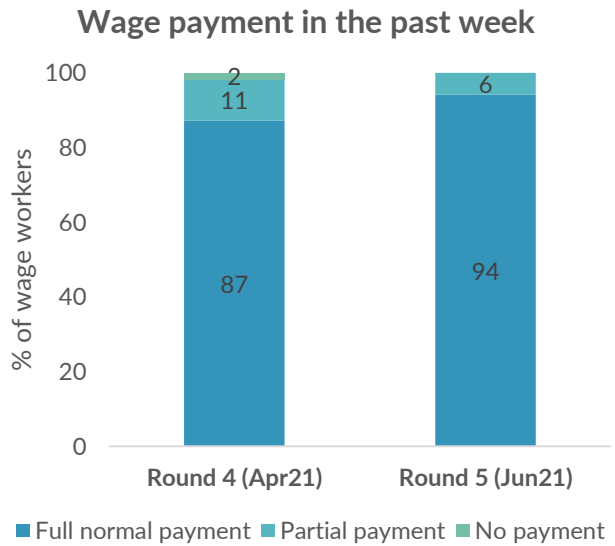
Almost all wage workers worked as usual and received full payment

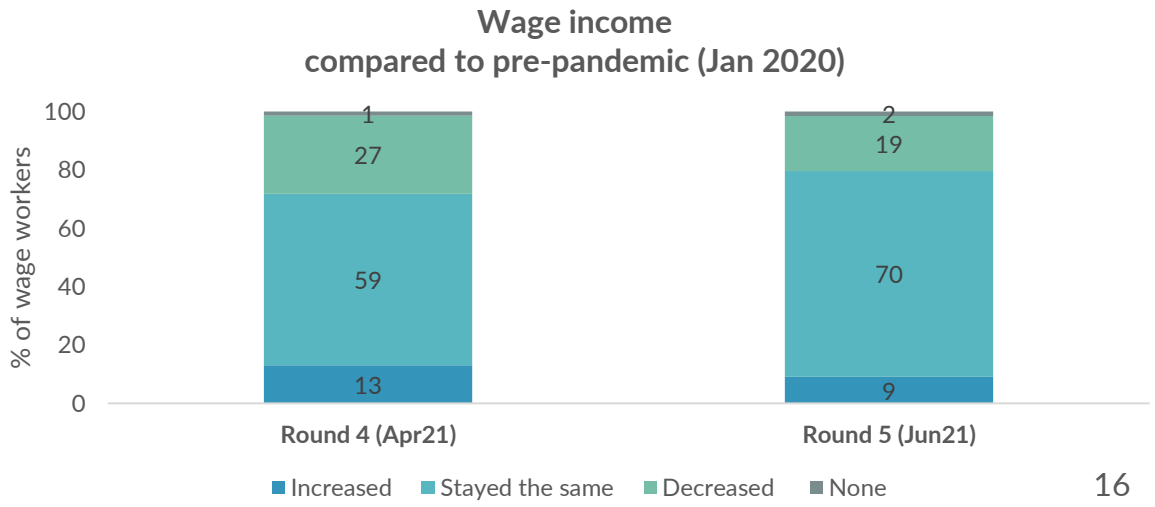
- Almost all wage workers (97 percent) were able to work as usual in the past week prior to the survey in Round 5
- In Round 5, 94 percent of wage workers reported they received full payment in the week preceding the survey, 6 percentage points higher than in Round 4

8 in 10 wage workers were able to earn same or higher level of wage income compared to pre-pandemic

- Further improvements in wage income were seen from Rounds 4 to 5. In Round 5, 19 percent of wage workers experienced income reductions relative to pre-pandemic, improved by 8 percentage points from Round 4



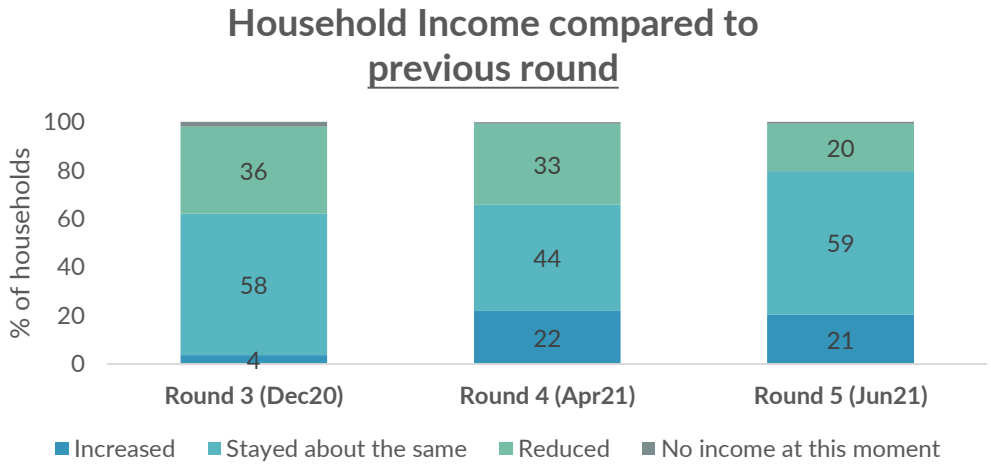


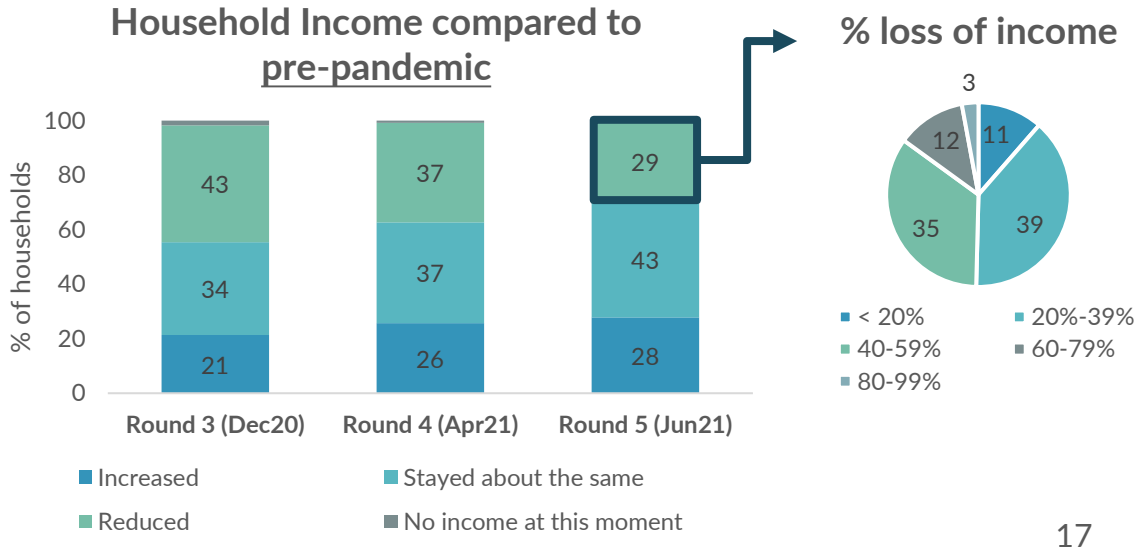


Total Household Income

While there was a visible recovery from Round 4, nearly 30 percent of households still earned less than pre-pandemic levels

- Between Rounds 4 and 5, shares of households with total income reductions declined by 13 percentage points from 33 to 20 percent, and 80 percent were able to receive the same or higher levels of income relative to Round 4
- While there are signs of improvement from April, nearly 30 percent of households reported their incomes remained depressed relative to pre-pandemic and the magnitude of income losses is not trivial
  - Out of households who experienced income reductions compared to pre-pandemic, 39 percent experienced a 20-40% loss, and another 50 percent suffered more than a 40 percent loss of income



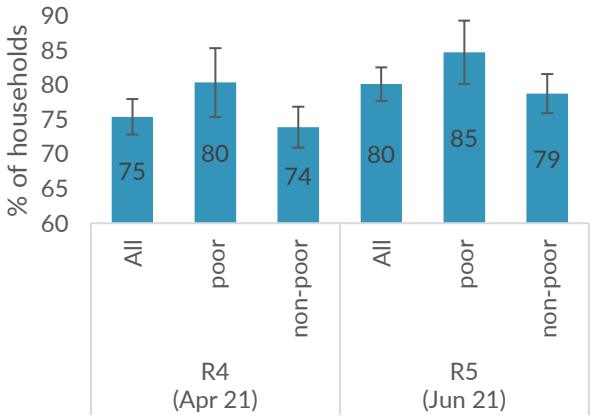


Shocks and Coping strategies

Poor households are more likely to take adverse coping mechanism, raising concerns of potential long-term impacts on household wellbeing

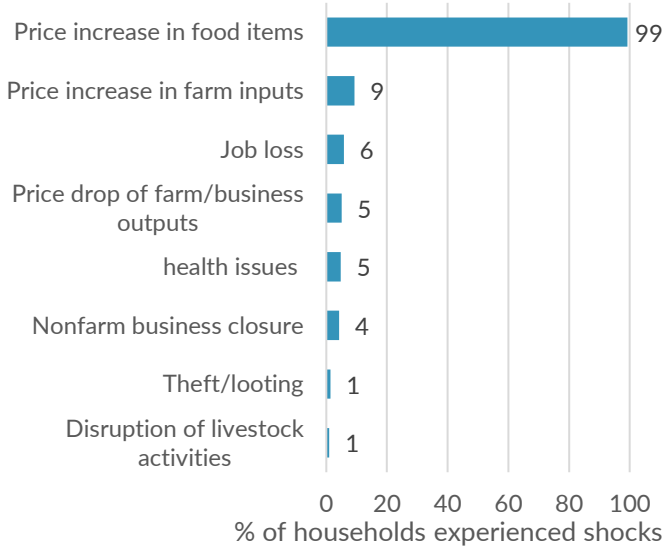
- The share of households that experienced shocks increased by 5 percentage points from 75 to 80 percent between Rounds 4 and 5
  - Among households that experienced shocks between April and June 2021, all households (99%) reported they suffered from a price increase of major food items. Food CPI inflation (YoY) hiked up to 12 percent in April 2021 and remained around 13 percent during the Round 5 survey
- In Round 5, poor households are more likely than the non-poor counterparts to reduce non-food consumption and take detrimental coping strategies which increased indebtedness or involved the sale of assets. These coping strategies could linger adverse impacts on poor household's wellbeing

Households experienced shocks since previous rounds



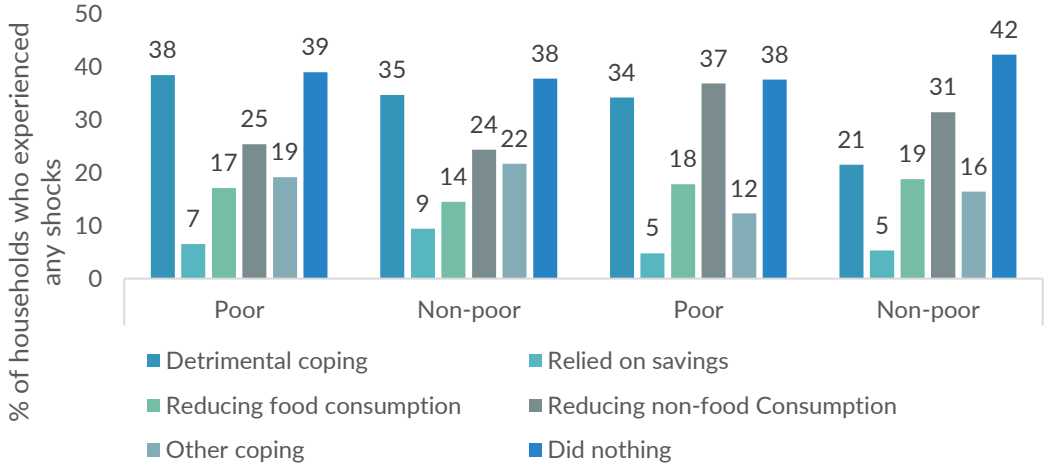
Note: Poverty status is based on the 2018 HSES.

Type of shocks (Round 5)



Note: Multiple answers.

Household coping strategies

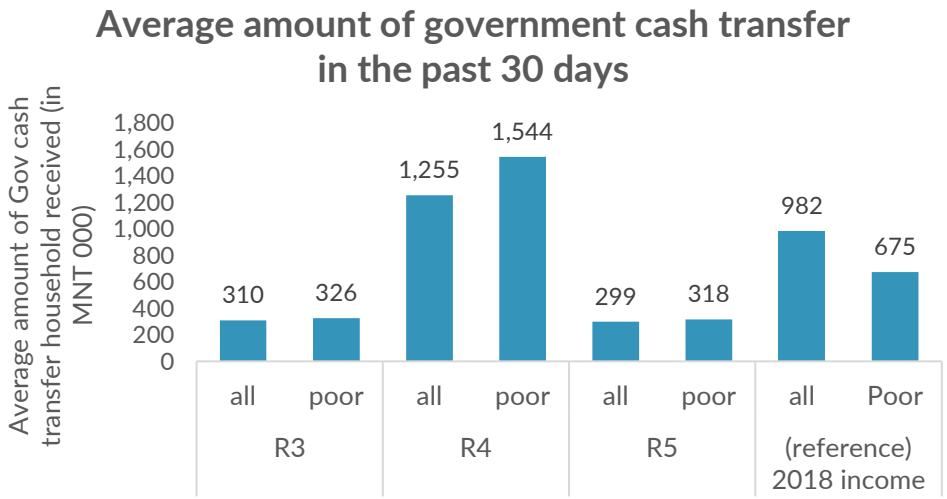


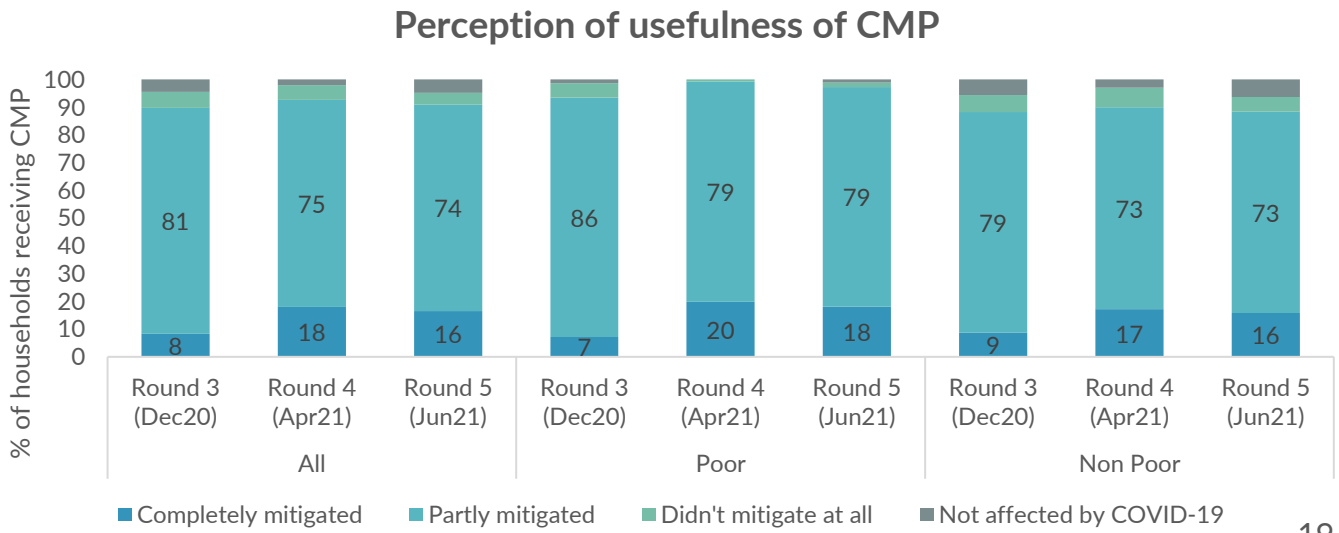
Note: Detrimental coping strategies include sold assets, sold livestock, credited purchases, delayed payments, or borrowed from friends, family, moneylenders, or other sources.

Safety Nets: Social assistance (1)

While the government's cash assistance amount declined after the April one-time cash transfer, the relative benefit size remains generous, and CMP contributed to mitigating adverse income shocks

- In Round 5, the average cash transfer amount households received from the government returned to the same level they had in Round 3, after the government's one-time cash assistance was distributed in April 2021
- While the cash transfer amount declined, the average amount poor households received from the Government (MNT318 thousands) is still almost equivalent to half of their 2018 income (compared to the 2018 nominal average monthly household income for the poor)
- Households' perception on usefulness of Child Money Program (CMP) has not changed from Rounds 4 to 5, but CMP has continuously contributed to mitigating adverse shocks completely or partially on both poor and non-poor households





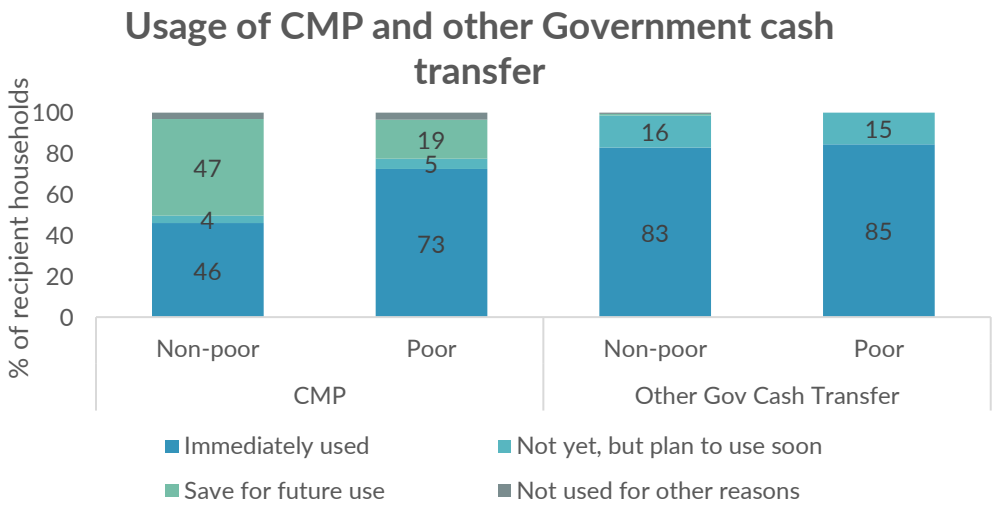
Note: CMP = Child Money Program.

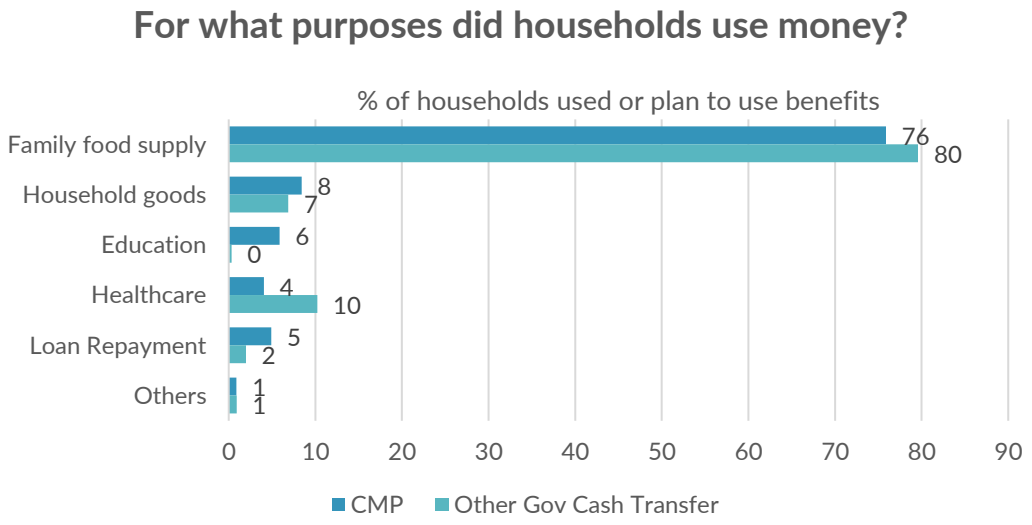
Note: Include CMP, Food stamp and other government cash transfer. 2018 income is based on nominal average monthly household income from the 2018 HSES

Safety Nets: Social assistance (2)

In terms of usage, poor households are more likely to use both CMP and other cash transfers immediately, mainly for purchasing food

- The majority of both poor and non-poor households (83-85 percent) used other government's cash assistance (non-CMP benefits) immediately or soon after households received the money
- 73 percent of poor households were planning to spend Child Money benefits over a short time rather than saving, while nearly half of non-poor recipients plan to save the money for later use, indicating poorer households had greater immediate need for the cash transfer during the pandemic
- Out of beneficiaries who immediately used Child Money Program (CMP) or other government cash transfer benefits, more than 3 in 4 used benefits for purchasing food for their families



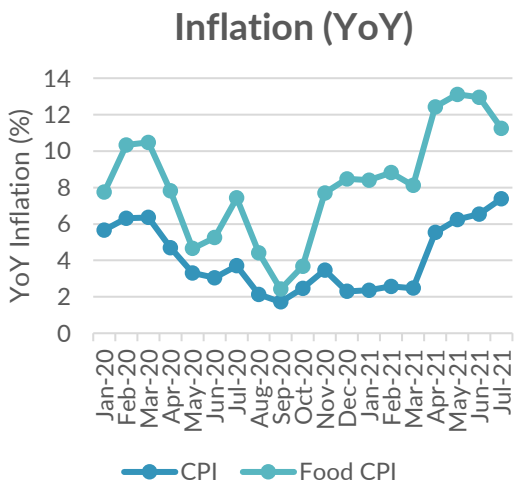


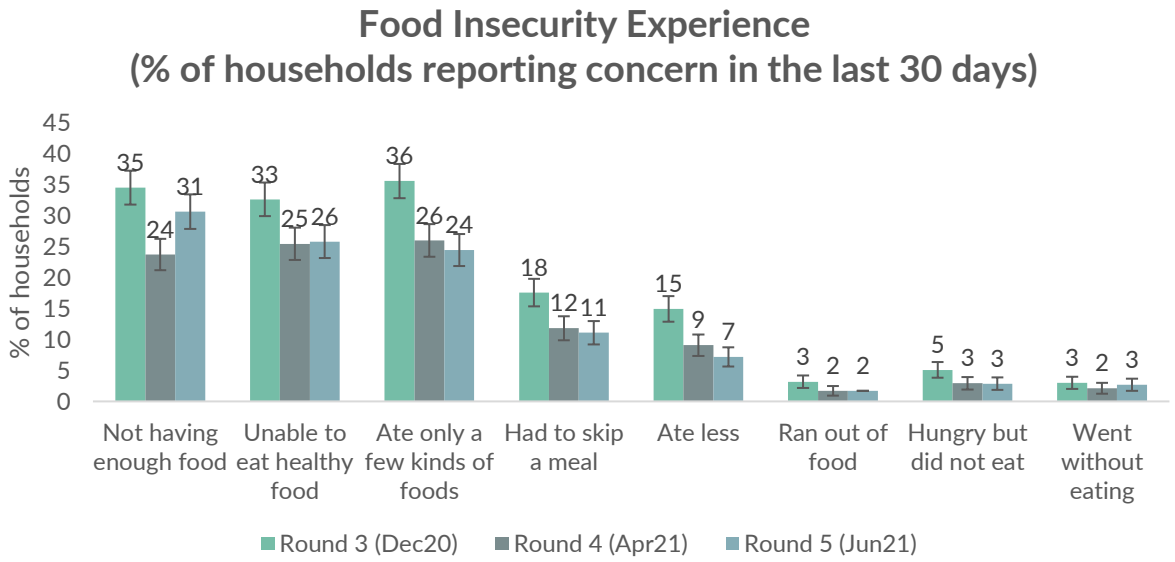
Note: CMP = Child Money Program.

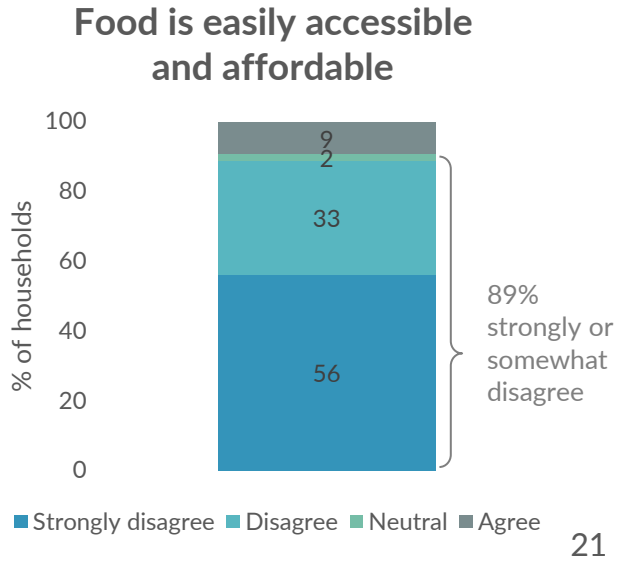
Food security (1)

The prevalence of food insecurity was unchanged from April, except for access to enough food which deteriorated by 7 percentage points

- Food CPI inflation rate (YoY) remained above 12 percent between April and June 2021
- Overall, the status of food insecurity shows no significant changes between April and June, but the share of households with not having enough food increased by 7 percentage points
  - According to the respondents' perception survey, nearly 90 percent of respondents disagreed that food was easily accessible and affordable in June. Indeed, 16 percent of households who tried to purchase meat in the past week reported they were unable to do so, mainly due to expensive meat prices





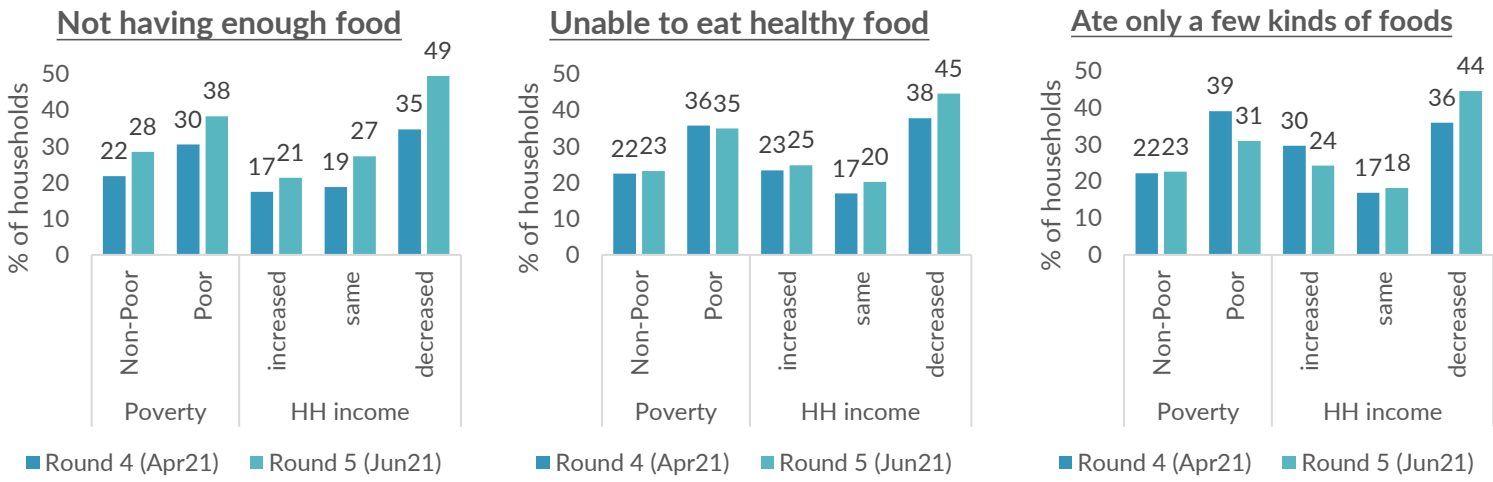


Food security (2)

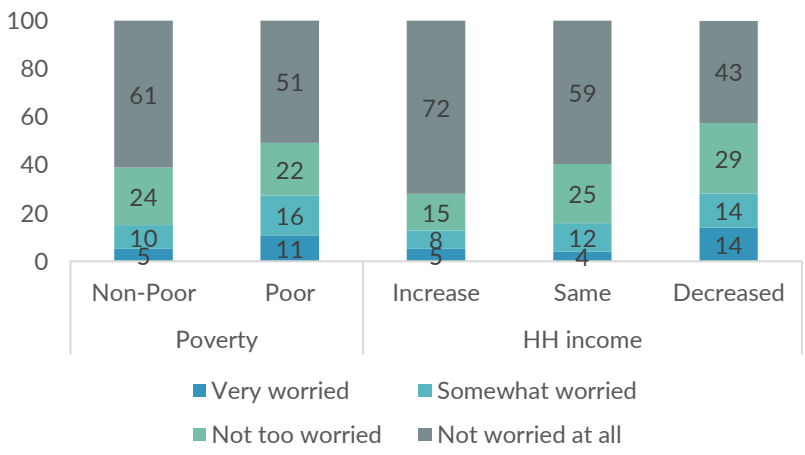
The poor and those affected by the pandemic are less likely to have access to enough, healthy and variety of food

- The poor and households with pandemic-induced income losses are significantly more likely to be food insecure compared to their counterparts
  - For example, the poor are 10 percentage points more likely than the non-poor to face difficulties to access to adequate food.
  - Furthermore, households with pandemic-induced income losses are over 20 percentage points more likely to suffer from access to enough, healthy and variety of food compared to households without income reductions
- Nearly 3 in 10 poor or those with income reductions are continuously worried of not having enough food in the near future
- Higher rates of food insecurity would increase long-term risks of child malnutrition and productivity among these families

Share of food insecurity by poverty and household income status



Concern of not having enough food in the next week



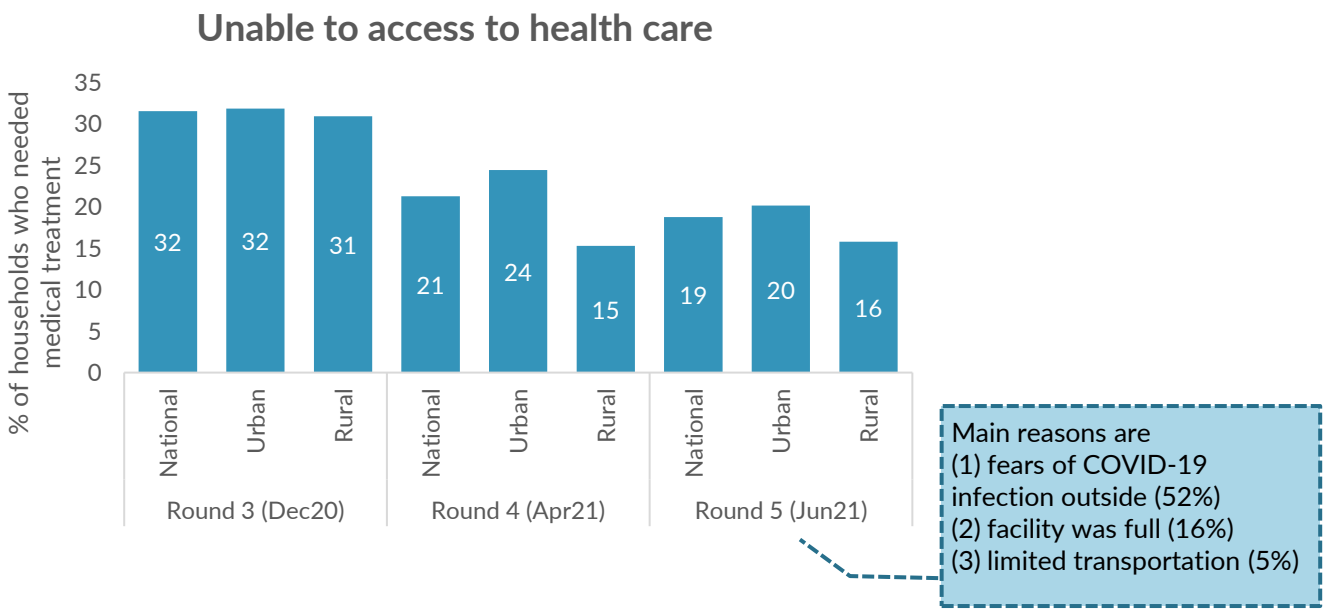
Access to health and financial services

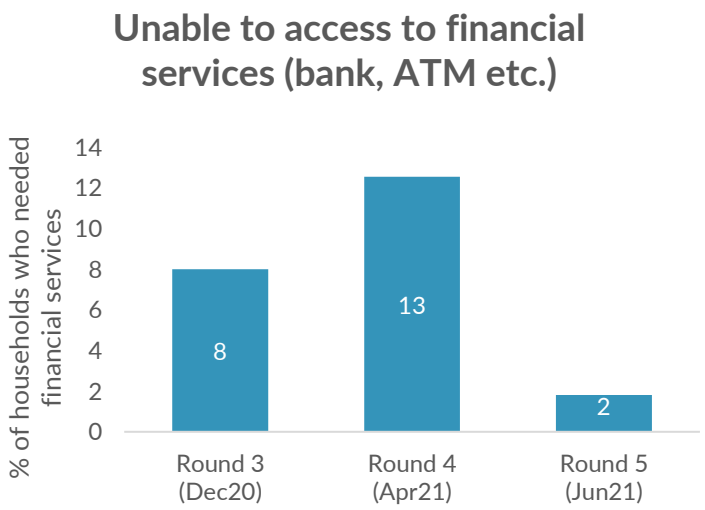
While access to health care services in urban areas slightly improved by June, 1 in 5 households who needed medical treatment could not receive it

- The urban-rural gap in access to health care services has narrowed since April but still 19 percent of households who needed medical treatment could not receive treatment immediately in Round 5, mainly due to fears of COVID-19 infection and full capacity at hospital facilities

Almost everyone who needed financial services were able to use bank and ATM services by June

- Of those who needed financial services in the last 30 days, only 2 percent reported they were unable to access, 11 percentage points lower than in April





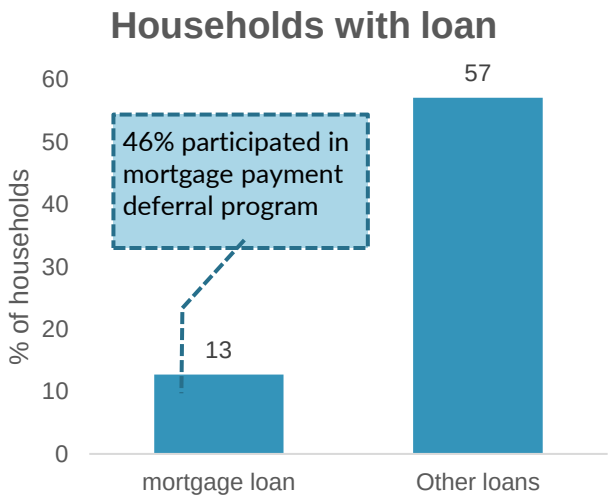
Household loan

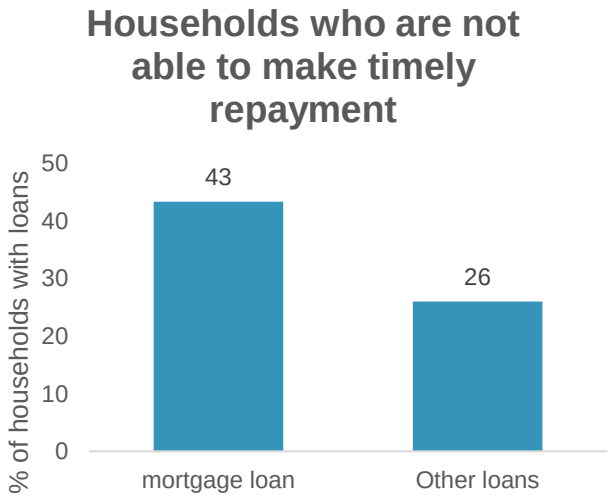
More than 2 in 5 mortgage payment deferral program participants or 1 in 4 households with other loans indicates that they are not able to make on-time loan repayments

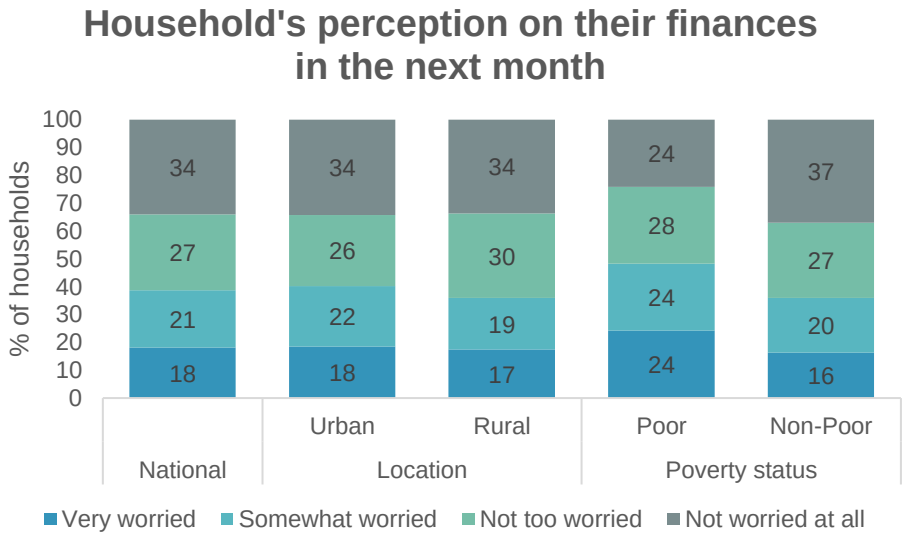
- 13 percent of total households currently own mortgage loan. Out of those, 46 percent participated in the Government's COVID-19 mortgage payment deferral program. 43 percent of program participants reported they are unable to make repayments on time, if mortgage payments were to resume next month
- More than 1 out of 4 households with other type of loans were not able to make on-time repayment since April 2021. Particularly, the poor households with loans are 5 percentage points more likely than the non-poor to be unable to make scheduled payments

Nearly half of poor households expressed concerns about their financial situation in the next month

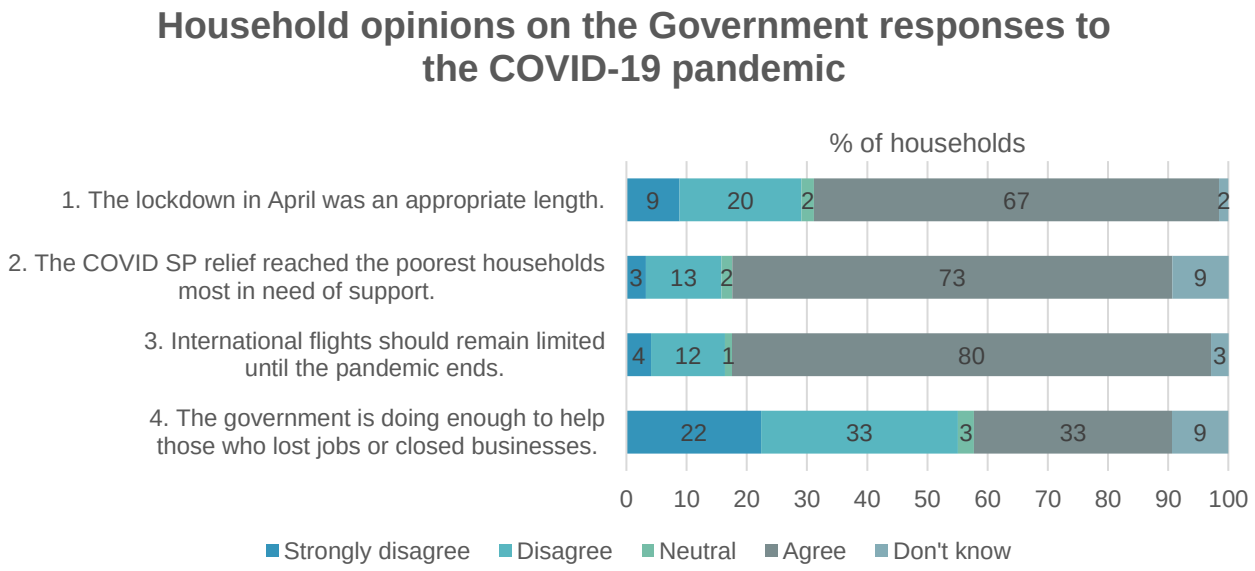
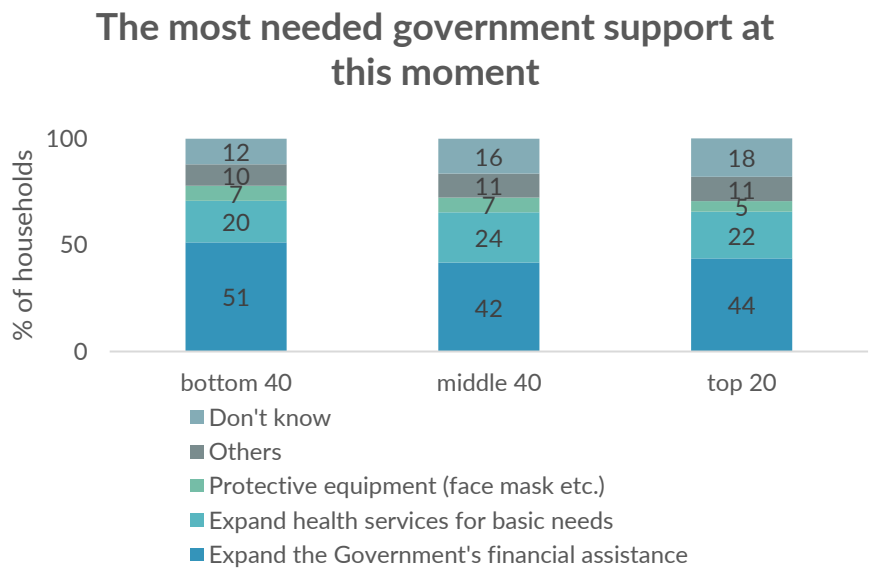
- 48 percent of the poor are worried about their finances in the next month while 36 percent of the non-poor counterparts are
- There is no significant differences between urban and rural







Perceptions of the government responses to COVID-19

Households largely agreed with the government's containment, mobility restriction and social protection responses, while half of households felt further supports are needed for the affected workers and businesses

- More than 2 in 3 respondents supported the government's COVID-19 responses on the April 2021 lockdown, social protection and international flight restrictions
- By contrast, more than half of respondents strongly or somewhat disagreed about the government's support on workers and businesses who were affected by the pandemic
- Half of the bottom 40 percent of households felt they need further financial assistance from the government to cope with the current COVID-19 situation