

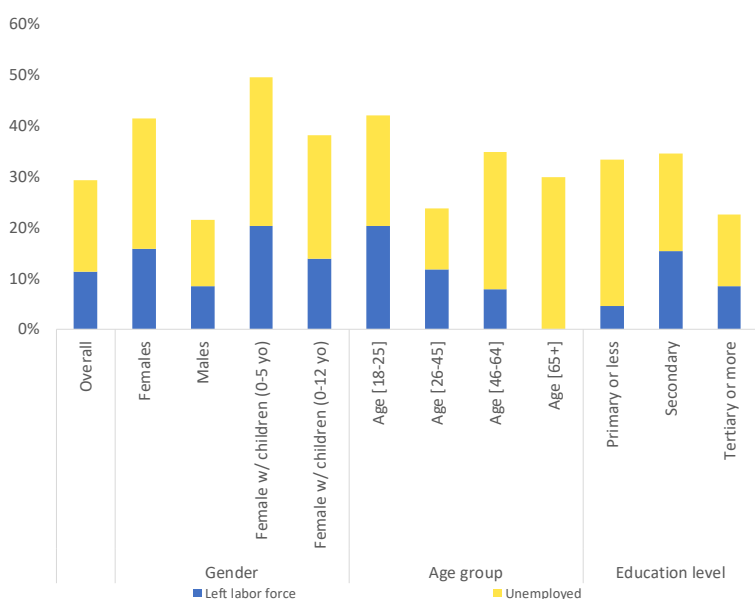
Panama's economy rebounded strongly in 2021 (GDP growth was 15.3 percent) after experiencing one of the most profound economic contractions in the region in 2020 (17.9 percent). The main drivers of the rebound were copper production and transport.

However, the impacts of the Covid-19 pandemic are still felt by an important share of the population. Almost two years into the pandemic, labor markets started to show positive signs but have yet to recover fully. According to High-Frequency Phone Survey data collected in 2021, Panama experienced a fast job recovery between mid-2021 and the end of the year (5.5 percentage points decrease in the job loss rate, which was faster than the regional average decrease of 3.0 percentage points). Still, three in ten pre-pandemic workers were unemployed or inactive by the end of 2021, and the employment rate was below its pre-pandemic level. Moreover, job loss continued to be higher among the most vulnerable, especially women with children aged 0-5 years old (49.5 percent). The labor market recovery resulted in an increase in the number of jobs but of lower quality. Informality reached 54.1 percent by the end of 2021, higher than the pre-pandemic level. Also, the incidence of informality was much higher among less educated (78.3 percent) and young workers (64.0 percent).

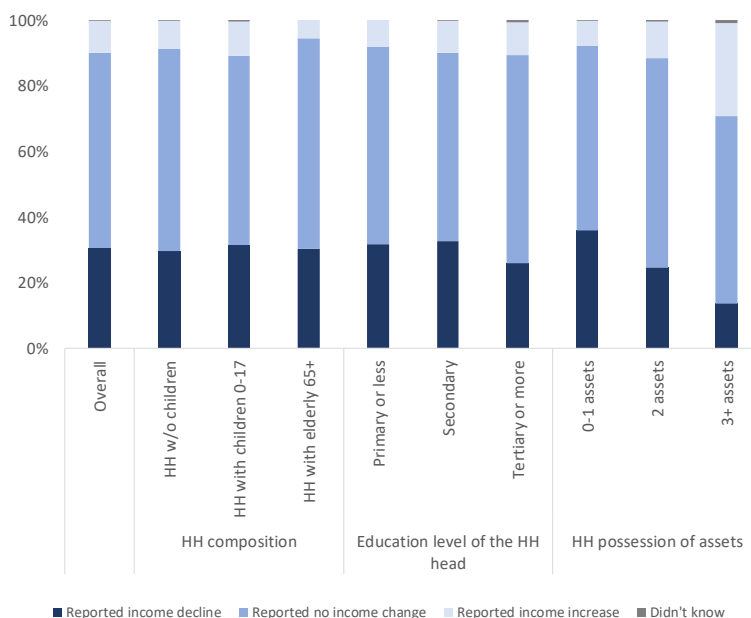
To help mitigate the impacts of the pandemic, the government of Panama implemented a comprehensive emergency subsidy, Panama Solidario (PPS). Yet, many households were still exposed to income loss and food insecurity. By the end of 2021, 30.6 percent of households reported a reduction in their income compared to mid-2021, and 24.7 percent of households reported running out of food in the 30 days preceding the survey. Although food insecurity was below the LAC average of 30.1 percent, the prevalence among the poor and less educated was higher. Moreover, 62.6 percent of households reported insufficient resources to cover basic needs. Almost three out of four resorted to at least one coping mechanism to reduce the financial strain during 2021, including using savings and stopping rent payments or debt installments.

Learning losses and wider gender disparities threaten the country's long-term recovery. By the end of 2021, the percentage of school-age children attending school was 93.2 percent, 1.7 percentage points lower than pre-pandemic levels. In addition, only 11.0 percent of students attended face-to-face classes, much lower than the LAC average (44.5 percent), and more than half of parents perceived that their children were learning less than before the pandemic. Moreover, women were more likely than men to report an increase in the time spent supporting children's education (59.7 versus 33.6 percent) and experiencing mental health-related problems (49.2 versus 30.8 percent).

JOB LOSS (% OF PRE-PANDEMIC WORKERS)



CHANGES IN TOTAL INCOME (%HH) SINCE MID-2021



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

KEY INDICATORS: INDIVIDUALS (18+ years old)

Distribution among groups	Labor				Childcare responsibilities	Health
	% of employed population (pre-pandemic) who lost their pre-pandemic job	% of inactive population (pre-pandemic) who became active (employed or unemployed)	% of employed population who is in informal employment		% of population who spent more time accompanying children's education than pre-pandemic	% of population who reported mental health problems
			Pre-pandemic	End-2021		
Overall	29.2%	45.8%	33.6%	54.1%	47.3%	40.0%
Females	41.4%	38.9%	37.8%	55.9%	59.7%	49.2%
Males	21.4%	61.6%	30.9%	53.1%	33.6%	30.8%
18 to 25 years old	41.9%	54.1%	50.2%	64.0%	44.9%	40.8%
26 to 45 years old	23.6%	64.4%	27.6%	48.3%	54.8%	40.6%
46 to 64 years old	34.7%	28.5%	37.2%	56.1%	38.0%	40.9%
65 and older	29.9%	30.7%	41.6%	72.1%	28.0%	34.9%
Education: Primary or less	33.2%	36.6%	44.8%	78.3%	44.1%	40.1%
Education: Secondary	34.5%	55.3%	43.5%	64.4%	44.2%	41.2%
Education: Tertiary or more	22.5%	35.7%	20.0%	37.7%	52.1%	38.7%

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

Note: National level results are compared against the regional LAC average: **Green** indicates that the country performs better than the LAC average in terms of preferred outcome, e.g. less informality, while **red** indicates that the country performs worse than the LAC average.

KEY INDICATORS: HOUSEHOLDS AND CHILDREN

Distribution among groups	Income & Coping		Food Insecurity		Education (6-17 yo)		
	% HH without enough resources to cover basic needs (self-reported)	% HH that resorted to at least one coping mechanism	% HHs that ran out of food		% of children in school age who attended school (in person or virtually)		% of children in school age who interacted with teacher in person (incl. hybrid teaching modes)
			Pre-pandemic	End-2021 (Last 30 days)	Pre-pandemic	End-2021	
Overall	62.6%	72.3%	11.9%	24.7%	94.9%	93.2%	84.8%
HH w/o children (0-17)	55.5%	69.8%	8.5%	20.0%	-	-	-
HH with children (0-17)	68.1%	74.3%	14.6%	28.4%	94.9%	93.2%	84.8%
HH with elderly (65+)	58.6%	69.7%	11.7%	21.1%	94.7%	92.6%	88.1%
0-1 assets	70.2%	77.3%	14.7%	31.9%	89.4%	85.5%	75.0%
2 assets	53.2%	66.2%	8.6%	15.9%	98.8%	98.7%	92.0%
3+ assets	48.8%	63.2%	4.5%	10.6%	96.5%	95.7%	85.9%
HH Head Edu: Primary or less	63.7%	63.8%	7.5%	24.8%	92.1%	89.4%	74.4%
HH Head Edu: Secondary	68.2%	76.0%	15.8%	29.2%	95.4%	93.9%	84.4%
HH Head Edu: Tertiary or more	51.7%	69.9%	7.8%	16.4%	96.2%	95.5%	92.3%

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

Note: National level results are compared against the regional LAC average: **Green** indicates that the country performs better than the LAC average in terms of preferred outcome, e.g. fewer households running out of food, while **red** indicates that the country performs worse than the LAC average.

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 first wave was collected between May and July 2021, and the data is nationally representative for 24 countries: Antigua & Barbuda, Argentina, Belize, Bolivia, Brazil, 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 data for Brazil was collected between July 26 and October 1. Data for the second wave was collected between October 2021 and January 2022 and included all countries except for Antigua & Barbuda and Brazil. 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. Key indicators on socioeconomic effects are available at the [COVID-19 monitoring global dashboard](#), which provides harmonized indicators across all world regions. Further information on the LAC HFPS II can be found [here](#).