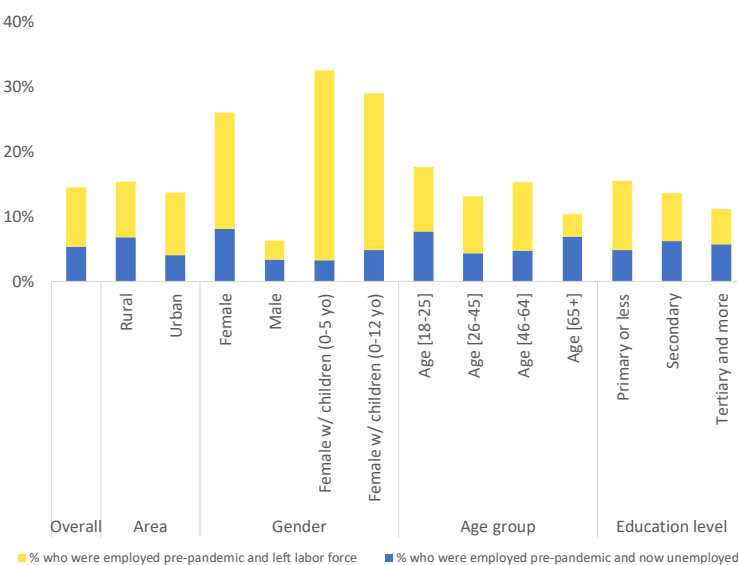COVID-19 will have long-lasting repercussions on the wellbeing of Guatemalans, despite the unprecedented response from the government and the fast economic recovery in 2021 (projected GDP growth is 7.6 percent). Progress is curbed by a sluggish vaccination effort: by February 2022 less than 40.0 percent of the population was fully vaccinated, one of the lowest rates in the region. The High-Frequency Phone Survey (HFPS) shows that vaccination hesitancy is high, and by mid-2021, around 30.0 percent of Guatemalans were not planning to get vaccinated or were unsure about it, well above the regional average of 8.0 percent.

By mid-2021, overall employment was 2.7 percentage points above pre-pandemic levels, but there was a shift in the composition of the labor force and a deterioration in the quality of employment. For instance, there was a 4.2 percentage-point decline in formal employment and a 14.2 percent decline in the average hours worked per week. Also, women who had been employed before the pandemic were four times more likely to have lost their job than men (26.0 percent versus 6.3 percent), partly explained by an uneven increase in childcare responsibilities. However, the largest movement in the labor market corresponds to previously inactive individuals entering the labor force (43.4 percent), with low-skilled individuals comprising most entrants. This entry alone compensated all jobs losses, explaining the higher employment level compared to before the pandemic. By mid-2021, the newly active made up 15.4 percent of the employed, mostly in the informal sector (89.7 percent).
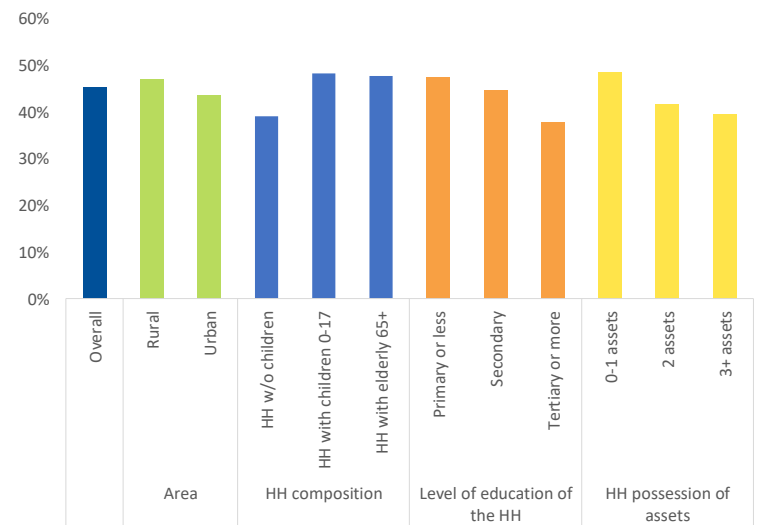
Emergency government transfers, unprecedented for Guatemala, helped to mitigate some of the adverse impacts. By mid-2021, one out of two households had received cash transfers during the pandemic. Despite this effort, income and food security in Guatemala had not returned to their pre-pandemic levels: 45.1 percent of households reported income levels below pre-pandemic levels and about one-third reported food insecurity. Income losses and food insecurity were more frequent for rural households, widening existing socioeconomic gaps. Nonetheless, the results show an improvement compared to the height of the pandemic (mid-2020) when these indicators were 69.9 and 50.0 percent respectively.

Guatemala also experienced one of the region's largest declines in school attendance during the pandemic, especially among vulnerable children. By mid-2021, only 64.1 percent of school-age children attended school either in person or virtually, a 29.9 percentage point difference compared to pre-pandemic attendance levels. This will likely have negative long-term consequences for human capital and productivity, particularly among the poor and vulnerable, given their limited access to the Internet and other educational resources.

JOB LOSS (% OF PRE-PANDEMIC WORKERS)

% who were employed pre-pandemic and left labor force   % who were employed pre-pandemic and now unemployed

HOUSEHOLDS (%) WITH REDUCED INCOME

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 1.

KEY INDICATORS: INDIVIDUALS (18+ years old)

Distribution among groups	Labor			Childcare responsibilities	Health	Finance
	% of employed population (pre-pandemic) who lost their pre-pandemic job	% of inactive population (pre-pandemic) who became active (employed or unemployed)	% of formal workers (pre-pandemic) who became informal	% of population who spent more time accompanying children's education	% of population who is not planning to get vaccinated or unsure (vaccination hesitancy)	% of population using mobile wallets
Overall	14.4%	43.4%	24.8%	37.7%	30.0%	13.8%
Rural	15.3%	43.5%	29.5%	34.5%	36.7%	10.9%
Urban	13.6%	43.2%	22.2%	40.9%	23.4%	16.6%
Females	26.0%	34.1%	18.4%	44.7%	31.4%	11.3%
Males	6.3%	74.9%	26.8%	29.0%	28.6%	16.5%
18 to 25 years old	17.6%	60.7%	26.0%	25.9%	30.3%	16.1%
26 to 45 years old	13.1%	37.1%	26.0%	46.3%	33.7%	14.4%
46 to 64 years old	15.2%	33.8%	16.6%	30.9%	25.1%	11.1%
65 and older	10.3%	27.9%	44.5%	7.6%	19.3%	9.2%
Primary or less	15.4%	36.4%	29.7%	34.5%	34.6%	9.4%
Secondary	13.5%	54.2%	26.2%	40.8%	24.5%	19.0%
Tertiary and more	11.1%	62.8%	14.1%	54.1%	17.1%	25.9%

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 1.

KEY INDICATORS: HOUSEHOLDS AND CHILDREN

Distribution among groups	Income		Food Insecurity	Education (6-17 yo)		Connectivity
	% HH that report a reduction in total income (current v. pre-pandemic)	% HH that received Emergency Government Transfers during the pandemic	% HHs that ran out of food (last 30 days)	% of children in school age who attended school (in person or virtually)	% of children in school age who interacted with teacher (in-person or online classes)	% HHs that had problems with internet service due to poor access quality / speed
Overall	45.1%	55.8%	27.9%	64.1%	56.2%	54.2%
Rural	47.0%	62.2%	34.9%	57.2%	52.0%	51.7%
Urban	43.5%	50.1%	21.7%	70.6%	60.2%	55.2%
HH w/o children (0-17)	39.0%	46.4%	26.6%	-	-	57.4%
HH with children (0-17)	48.2%	60.5%	28.6%	64.1%	56.2%	52.5%
HH with elderly (65+)	47.6%	52.6%	28.8%	67.5%	56.8%	58.5%
0-1 assets	48.5%	56.6%	39.3%	56.4%	47.1%	54.0%
2 assets	41.6%	52.4%	16.2%	63.8%	53.6%	50.1%
3+ assets	39.5%	56.5%	8.0%	84.1%	81.6%	56.1%
HH education - Primary or less	47.4%	61.0%	37.0%	58.1%	48.8%	54.5%
HH education - Secondary	44.6%	52.9%	21.6%	70.0%	63.3%	52.0%
HH education - Tertiary or more	37.8%	40.0%	5.7%	84.5%	78.7%	57.1%

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 1.

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. 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 96 harmonized indicators across 50 countries in Latin America and the world. For further information, see World Bank and UNDP (2021).

WORLD BANK GROUP

UNDP