



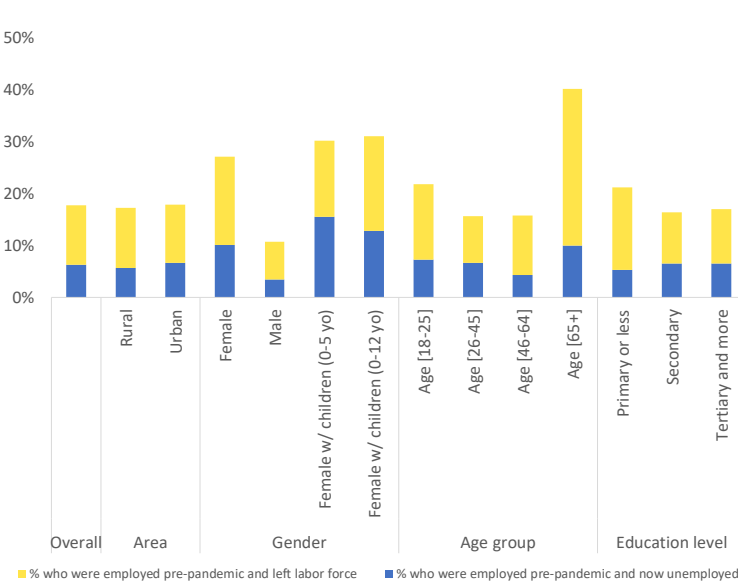
After a three-year recession prompted by sociopolitical turmoil and prolonged by the outbreak of COVID-19, Nicaragua’s economy started to rebound in the first half of 2021. GDP is estimated to have grown 5.5 percent during that year thanks to fiscal stimulus and the revitalization of private demand. However, new waves of contagion, combined with ongoing social unrest, may further delay a full recovery.

The economic impacts of the COVID-19 crisis on the welfare of Nicaraguans continued to linger by mid-2021. According to the High-Frequency Phone Survey, 17.6 percent of formerly employed workers lost their pre-pandemic job, and 64.6 percent of them left the labor force altogether. Job losses were more frequent among the elderly (40.0 percent) and women (27.0 percent). Among the new inactive, 60.8 percent were women across all ages and education levels, with and without children under 18. Equally remarkable was the large share of previously inactive individuals who entered the labor force during the pandemic (47.9 percent), likely to avoid falling into poverty. About two-thirds were women across all age ranges and education levels. Because entrants into activity (and employment) compensated for job losses, the country experienced a slight increase, of 1.9 percentage points, in the employment-to-population ratio (18+) relative to pre-pandemic levels. The quality of employment was also affected. Around 23.9 percent of formally employed workers before the pandemic transitioned into an informal job by mid-2021, and, among the entrants who found employment, 88.7 percent held informal jobs.

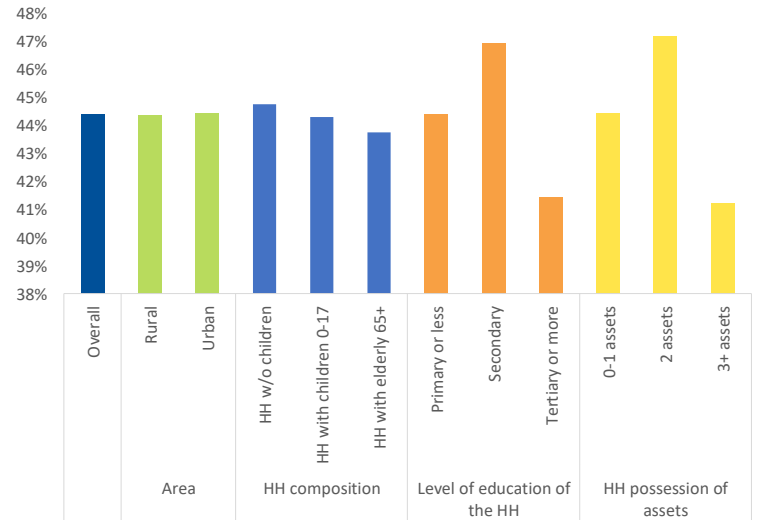
The dynamics observed in the labor market point at the insufficiency of emergency cash transfers to contain the fall in household income. Indeed, the mitigation response implemented by the government had a limited reach in comparison to the region, as only 3.7 percent of households reported having received emergency government transfers during the pandemic. As a result, 44.4 percent said that their income had yet to return to pre-pandemic levels. The primary sources of income that were affected were wage and family-business incomes. This aggravated food insecurity, defined as not having food at least once during the last month due to lack of money or other resources. By mid-2021, one in every four households (26.5 percent) experienced food insecurity, up by 7.9 percentage points from the level recalled before the pandemic (18.5 percent). Reports of food insecurity were more frequent among rural households and households with children or elders.

Negative impacts on children’s education could debilitate household welfare in the long run. While the proportion of school-age children attending school in person or virtually remained relatively high (at 90.2 percent), around one in six children had not participated in schooling activities involving direct interaction with a teacher.

### JOB LOSS (% OF PRE-PANDEMIC WORKERS)



### 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	17.6%	47.9%	23.9%	24.1%	18.4%	22.1%
Rural	17.2%	46.2%	24.8%	23.2%	18.5%	17.5%
Urban	17.8%	48.6%	23.6%	24.5%	18.4%	24.3%
Females	27.0%	40.1%	19.2%	24.8%	20.0%	20.8%
Males	10.7%	68.3%	27.0%	23.2%	16.7%	23.4%
18 to 25 years old	21.7%	60.4%	29.5%	18.3%	21.3%	23.8%
26 to 45 years old	15.6%	54.4%	20.9%	28.3%	17.4%	24.0%
46 to 64 years old	15.8%	31.1%	26.6%	20.6%	21.0%	15.6%
65 and older	40.0%	36.3%	49.5%	9.1%	4.8%	28.6%
Primary or less	21.1%	33.5%	35.8%	17.7%	18.4%	16.4%
Secondary	16.3%	54.2%	29.2%	20.3%	19.3%	19.9%
Tertiary and more	17.0%	56.7%	18.4%	37.0%	17.3%	29.2%

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	44.4%	3.7%	26.5%	90.2%	84.9%	55.4%
Rural	44.4%	6.3%	28.6%	85.4%	79.1%	59.2%
Urban	44.4%	2.2%	25.2%	93.3%	88.7%	53.5%
HH w/o children (0-17)	44.8%	2.4%	22.7%	-	-	48.9%
HH with children (0-17)	44.3%	4.2%	27.8%	90.2%	84.9%	57.6%
HH with elderly (65+)	43.7%	4.6%	30.4%	92.1%	89.7%	51.0%
0-1 assets	44.4%	4.5%	34.2%	86.9%	80.8%	57.6%
2 assets	47.2%	3.8%	22.4%	93.1%	89.6%	53.7%
3+ assets	41.2%	1.7%	11.0%	99.5%	95.3%	53.1%
HH education - Primary or less	44.4%	4.5%	29.0%	87.8%	83.1%	58.1%
HH education - Secondary	46.9%	4.0%	30.9%	91.3%	83.7%	57.0%
HH education - Tertiary or more	41.5%	1.1%	13.6%	99.1%	96.0%	51.1%

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 \(2021\)](#).