

Monitoring COVID-19 Impacts on Households in Lao PDR

Results Snapshot from a Rapid Monitoring Phone Survey of Households

INTRODUCTION



A second wave of COVID-19 began in April 2021. The number of confirmed cases surged from fewer than 50 cases in early April to over 100,000 cases in December 2021. The Government of Lao PDR announced a partial lockdown on April 22, 2021, allowing only businesses and restaurants in areas without community outbreaks to remain open. International borders remained closed. Vientiane Capital entered a full lockdown on September 19, 2021, but retail shops and markets were allowed to remain open. The lockdown continued into October 2021, with mobility restrictions and social distancing measures gradually eased. Inter-provincial travel resumed in November 2021.

To monitor the social and economic impacts of the pandemic, the World Bank is conducting a series of COVID-19 Rapid Monitoring Phone Surveys of Households in Lao PDR. This monitoring data helps provide insights into the effects of the pandemic on household well-being.

The first-round survey was conducted from June 20 to July 16, 2020, when Laos had just exited the initial nationwide lockdown. The second-round survey was carried out from February 26 to March 24, 2021, one year into the pandemic. The third-round survey was conducted from April 26 to May 30, 2021, during a second lockdown. A fourth survey was made from October 25 to November 19, 2021, as some lockdown measures were eased. This note provides a snapshot of findings from the fourth round. The next survey round is planned for April to May 2022.

MAIN FINDINGS

- ➔ 31% of respondents reported not working in October/November 2021, compared to 18% before the first wave and 24% before the second wave. Informal and low-skilled workers were hit hardest. Employment disruptions were more common among female workers.
- ➔ 35% of pre-COVID household businesses were temporarily or permanently closed in October/November 2021, and 71% experienced a revenue decline or no revenue relative to pre-pandemic levels. 27% of farming households faced disruption in their farming activities during the second wave.
- ➔ 64% of households experienced a decline in total household income relative to pre-pandemic levels, with 28% experiencing a decline by more than half.
- ➔ The most common shocks experienced by households during the pandemic are increased food prices (77%), job loss or reduced income (68%), and natural disasters (28%). 36% of households affected by increased food prices reduced their food consumption but received almost no other assistance to help them cope with rising food prices.
- ➔ Food insecurity was moderate, with 46% of households reporting that they ate less than they did before the pandemic.
- ➔ Vaccine coverage is high and vaccine hesitancy is low. 87% of respondents were fully vaccinated in October/November 2021, and only 1.8% of respondents were hesitant to get vaccinated. Despite the high vaccination rate, there was a significant gap of about 10-12 percentage points in vaccination rates between rural and urban areas (83.1% vs 93.2%), and between the top 60 and bottom 40¹ (90.6% vs 78.2%). These gaps mostly result from lack of access to vaccines rather than hesitancy.
- ➔ During the second wave, 57% of households needed medical services and 46% needed health services due to mental illness or violence. 97% of households who needed these services were able to access them.
- ➔ Schools in areas with community outbreak were closed between April and December 2021. During school closure, only 29% of households with school-aged children had their children engaged in remote learning activities. There was a large gap in remote learning incidence between urban and rural areas (41% vs 23.6%) and between the top 60 and bottom 40 (32.5% vs 23.4%). The gap between urban and rural areas was driven by much slower adoption of remote learning in rural areas.
- ➔ 64% of respondents were fully satisfied with the government's response to COVID-19, but 14% of respondents were not satisfied with assistance measures.
- ➔ Around one-fifth of respondents have received unemployment benefits, a significant increase from the 8% reported in February/March 2021. Nevertheless, 37% of respondents said they were unemployed at some point during the pandemic but did not receive benefits. Of these, 13% did not know about the program and 14% were not eligible.
- ➔ One third of respondents with taxable income have received individual tax relief, and those experiencing more significant household income loss were more likely to benefit from this measure. Only 54% of respondents were aware of the electricity subsidy, and merely 33% said they had observed a reduction in the rate per unit charged for electricity.
- ➔ The most widely reported pressing issues were an increase in the price of necessary goods (38.4%) and the readiness of the public health system to handle the COVID-19 pandemic (23.6%).
- ➔ When asked which type of government support could best help respondents to cope with COVID-19, the utility subsidies and expanded health services for basic needs were cited most frequently.

¹ The "bottom 40" refers to individuals in the bottom 40 percent of the consumption distribution. The "top 60" refers to individuals in the top 60 percent of the consumption distribution.

EMPLOYMENT



Around 30.7% of respondents did not work in October/November 2021, up from 17.5% in February 2020 before the pandemic. Nearly 60% of those who did not work cited COVID-19 restrictions, illness, and quarantine as the reasons for unemployment. Other reasons included seasonality (18.1%), studying and/or farming (5.2%), childcare (5.7%), and retirement and/or disability (5%). While 35.5% of those who reported not working had a job to return to, some unemployment could be long term: 24.2% of the unemployed said they looked for a job but could not find one.

Between February 2020 and October/November 2021, rural workers were as likely as urban workers to lose jobs, but rural adults who did not work before the pandemic had a higher chance to enter the labor market than did their urban counterparts. This could be due to the lower barriers to the labor market in rural areas, where many can work as unpaid family farm workers or find seasonal work during the October–November rice harvest.

Table 1. Employment status

Feb 2020	Employment status by period % of respondents			
	Working		Not working	
Last 7 days (Oct/Nov 2021)	Working	Not working	Working	Not working
All	63.5	19.0	5.8	11.7
Urban	63.5	18.8	5.0	12.7
Rural	63.6	19.1	6.2	11.2
High-skilled	67.6	17.3	5.2	9.9
Low-skilled	58.4	21.1	6.6	14.0
Male	66.5	18.3	5.7	9.5
Female	58.4	20.2	5.9	15.5
Top 60	65.7	18.3	4.8	11.2
Bottom 40	59.0	20.5	7.8	12.8

Notes: Results are weighted. Work is defined as those who worked at least an hour in the last 7 days. The last 7 days varies by the date of interview, which ranged from October 25 to November 19, 2021. High-skilled persons are those with completed secondary education or higher. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution, and top 60 to individuals in the top 60 percent of the consumption distribution.

Gender disparity widened as employment disruptions were more common among female workers. Low-skilled workers were hit hard by economic disruption: 26.5% of workers with lower than secondary education lost their jobs, compared to 20.4% of workers with completed secondary education or higher. While workers from the bottom 40 were more likely to lose their jobs than workers from the top 60, those who did not work before the pandemic had more opportunity to enter the labor market.

Job loss was widespread among workers in manufacturing industry, non-manufacturing industry and low-end/traditional services: around 40% of workers who were employed in these sectors before the pandemic moved to other sectors or became unemployed in October/November 2021. Workers from all sectors except public administration who changed industries moved into agriculture, which proved resilient to pandemic shocks and acted as a buffer. Public sector workers were found to have mostly switched into non-manufacturing industry rather than agriculture. The

agriculture sector also absorbed close to one fifth of those previously not working. The least affected sectors included public administration and high-end/modern services.

Table 2. Sector of employment

Sector (Feb 2020)	Sector (Oct/Nov 2021)							
	Agriculture	Manufacturing industry	Non-manufacturing industry	Low-end/traditional services	High-end/modern services	Public administration	Unknown	Not working
Agriculture	73.0	0.0	0.3	1.0	0.0	0.2	1.3	24.2
Manufacturing industry	4.7	56.3	1.7	1.5	0.0	0.0	4.6	31.3
Non-manufacturing industry	3.5	1.3	59.6	1.7	1.6	0.0	3.2	29.0
Low-end/traditional services	3.7	0.0	0.3	61.7	0.5	0.0	4.0	29.8
High-end/modern services	1.5	0.0	0.4	1.0	80.6	0.0	1.5	14.9
Public administration	1.0	1.1	2.2	0.5	0.4	80.5	3.3	10.9
Not working	18.8	0.8	1.7	6.2	4.5	1.1	0.0	66.9

Notes: % of respondents working in each sector prior to the pandemic (February 2020). Results are weighted. Non-manufacturing industry includes mining, construction, and utilities. Low-end/traditional services include retail and wholesale trade, hotels and restaurants, and personal services. High-end/modern services include transport, post, travel agencies, finance, legal, insurance, real estate, education, and health.

Table 3. Employment type

Type (Feb 2020)	Type (Oct/Nov 2021)					
	Formal wage worker	Informal wage worker	Employer/self-employed	Unpaid family worker	Unknown	Not working
Formal wage worker	80.9	0.9	1.8	0.9	1.2	14.2
Informal wage worker	0.4	56.1	3.3	3.2	6.2	30.7
Employer/self-employed	0.6	0.0	72.8	1.8	1.2	23.7
Unpaid family worker	0.5	1.6	1.4	68.0	1.9	26.7
Not working	4.7	6.4	9.8	12.2	0.0	66.9

Notes: % of respondents for each employment type prior to the pandemic (February 2020). Formal wage workers are defined as those entitled to social security benefits or social insurance.

Informal wage workers were hit hardest by the pandemic. Around 31% of informal wage workers were without work in October/November 2021, and 6.5% of these became self-employed or unpaid family workers. Formal wage employees were least affected: only 14.2% lost their jobs and another 3.6% became informal wage employees, self-employed, or unpaid family workers between February 2020 and October/November 2021. Formal wage job creation regressed during the pandemic. Formal wage employment accounted for only 14% of net jobs created between February 2020 and October/November 2021, compared to 29.5% of jobs before the pandemic. With limited

opportunities in the formal sector, most workers entered the labor market as unpaid family workers: unpaid family jobs constituted 36.8% of net jobs created between February 2020 and October/November 2021, compared to 17.5% of jobs before the pandemic.

FAMILY FARMS

Around 79% of Lao households have a family farm, and during the second wave of the pandemic, between April and October/November 2021, 27.4% of these households were not able to operate their farm normally, with some having to stop farming altogether. Among those not able to operate normally, the stay-home requirement was the primary reason (73.4%). Cash shortages or lack of funding (14.4%), and difficulties in trading farm inputs and agricultural products (9.4%) were also commonly cited as reasons for not farming. Cash shortages and lack of funding were more common among farm households in urban areas (19.8%) than those from the bottom 40 (15.5%). Difficulties in trading inputs and products tended to be a more common problem among farm households in rural areas (10.6%) and those from the bottom 40 (13.0%).

Table 4. Family Farms

			% of family farms unable to perform normal farm activities, by challenge			
	% of households with a family farm	% of family farms NOT able to perform normal activities since Apr 2021	Required to stay home	Difficulties trading farm inputs and outputs	Labor shortage	Cash shortage & lack of funding
All	78.9	27.4	73.4	9.4	2.8	14.4
Urban	62.2	27.4	70.8	6.2	3.2	19.8
Rural	87.8	27.4	74.4	10.6	2.7	12.4
Top 60	76.0	27.5	76.1	7.4	2.6	13.9
Bottom 40	85.1	27.1	68.2	13.0	3.3	15.5

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution.

FAMILY BUSINESS

More than one-third of Lao households own a family business. Nearly two years into the pandemic, 7.0% and 28.4% of pre-COVID-19 family businesses were permanently and temporarily closed, respectively. Nearly three-quarters of businesses experienced a fall in revenue or no revenue, relative to pre-pandemic levels (February 2020). About 80% of family businesses that were closed cited COVID-19 measures and transportation challenges as reasons for the decline, and 12.0% cited a decline in demand for products and services.

The most affected sector was services (many of which were affected by travel restrictions and social distancing measures), in which 9.3% of businesses were permanently closed and 34.0% were temporarily closed. Revenue declines were more common among family businesses of the top 60 and in urban areas. These tended to be in the services sector. In October/November 2021, 74.0%

of businesses in urban areas and 74.1% of businesses of the top 60 experienced a fall in revenue relative to pre-pandemic levels, compared to 69.6% of businesses in rural areas and 59.9% of businesses of the bottom 40. Closures were also more common among family businesses in the top 60 but rural family businesses were as likely as urban family businesses to close.

Table 5. Family businesses

	% of households with a family business in Oct/Nov 2021	Operating status of pre-COVID family businesses in Oct/Nov 2021 (% of pre-COVID family businesses)				
		Open	Temporarily closed	Permanently closed	Closed and started new business	% of businesses experiencing revenue decline or no revenue compared to Feb 2020
All	34.8	62.4	28.4	7.0	2.3	71.2
Urban	36.1	62.7	29.2	5.7	2.4	74.0
Rural	34.1	62.2	28.0	7.7	2.2	69.6
Top 60	40.9	60.5	30.2	7.3	1.9	74.1
Bottom 40	21.9	69.4	21.5	5.5	3.6	59.9

Notes: Results are weighted. Bottom 40 refer to individuals in the bottom 40 percent of the consumption distribution. Top 60 refer to individuals in the top 60 percent of the consumption distribution.

HOUSEHOLD INCOME



More than 60% of households experienced a decline in household income between February 2020 and October/November 2021, 28% of whom reported incomes dropping by more than half. The second wave alone resulted in 21.6% of households experiencing a drop in income of more than half. While urban and rural households were equally likely to experience a decline in household income (63-64%), urban households were slightly more likely to experience a larger drop in income.

Table 6. Household income reduction

	% of households that experienced income reduction in Oct/Nov 2021					
	Compared to Feb 2020		Compared to Oct/Nov 2020		Compared to April 2021	
	Less than half	More than half	Less than half	More than half	Less than half	More than half
All	35.9	28.0	36.9	26.5	40.8	21.6
Urban	33.7	29.4	35.7	27.6	37.9	23.3
Rural	37.1	27.3	37.5	25.8	42.3	20.7
Top 60	35.6	27.8	35.9	27.0	40.3	21.3
Bottom 40	36.5	28.5	39.0	25.4	41.7	22.3

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution.

Notable reductions were observed in income from non-farm business and remittances in the 12 months preceding the survey. For both these income sources, more than 60% of receiving households reported drops in income. Although most households relied on farm income (74%) and wage income (68%), nearly half of households reported income reduction from these sources.

The incidence of income loss in the year preceding the survey did not vary significantly between urban and rural areas, except for domestic remittances, government assistance, and properties or investment. For domestic remittances and government assistance, rural households reported higher incidences of income drop (10 and 28 percentage points) than did urban households. The higher incidence of decline in government assistance among rural households was likely because there was an overall decline in social spending while the COVID-19 assistance measures that have been recently introduced tend to benefit urban households. In contrast, urban households were more likely to experience a fall in income from properties or investment. Farm income appears to be more volatile in rural areas, with rural households reporting higher incidences of income gains and income drops than urban households.

SHOCKS AND COPING STRATEGIES



Households adopted different strategies to cope with shocks during the pandemic. The most common shock faced was rising food prices resulting from lockdown measures, supply chain disruption, border closures, and the depreciating kip. Around 77% of respondents reported that an increase in food prices had affected their households. The shock intensified the incidence of food insecurity much more than any other shock experienced by households. While about one third of affected households used additional income from alternative sources, savings, or hunting and gathering wild food to cope with this shock, 35.6% of households affected by rising food prices responded by reducing their food consumption.

Table 7. Shocks and coping strategies

Coping strategies (% households who experienced shocks)	% of households that experienced shocks since March 2020								
	Job loss/reduced income	Non-farm business closure	Disruption in farm activities	Increase in input prices	Decrease in output prices	Increase in food prices	Illness/injury/death of earner	Floods/droughts/natural disasters	Theft/looting of property
	67.7	22.8	15.5	13.4	19.0	76.5	13.7	27.7	7.0
Sold assets	1.7	0.9	0.6	0.6	0.4	0.7	6.2	1.2	0.0
Additional income generation	40.0	31.8	29.3	14.7	19.4	12.7	12.5	18.9	7.7
Reduced/substituted food consumption	9.1	3.0	3.9	10.0	7.2	35.6	0.0	1.5	1.8
Reduced/substituted non-food consumption	6.2	2.5	1.6	17.0	9.2	15.1	0.0	0.3	1.2
Hunted or gathered food	15.8	9.0	13.5	2.9	4.1	17.7	3.4	3.4	2.7
Relied on savings	1.1	2.6	0.4	1.5	1.0	0.4	2.3	1.6	0.6
Took a loan from an institution	0.3	0.3	0.1	1.7	0.8	0.1	2.4	0.0	1.0
Sold harvest in advance	0.8	0.0	2.1	1.2	1.0	0.3	0.7	1.0	0.0
Assistance and loan from friends & family	2.9	1.7	2.3	2.6	1.9	1.6	29.1	5.2	5.7
Assistance from government or NGO	0.3	0.5	0.8	0.8	0.7	0.6	8.2	7.1	8.0
Other strategies	0.2	0.8	1.1	1.0	0.4	0.7	4.6	3.6	0.0
Did nothing	31.0	50.1	49.0	52.6	60.3	31.4	41.6	61.0	74.3

Notes: Results are weighted.

About 68% of households were affected by a family member losing a job, and more than two thirds of the affected households adjusted their behavior to cope with the employment shock. 40% of affected households engaged in additional income-generating activities to compensate for income loss. Less than 3% reported relying on savings or sale of assets to cope with this shock.

Strategies to cope with shocks to family farm and non-farm businesses were somewhat limited. About 42% of households suffered one or more shocks to their farm incomes or non-farm businesses, mostly in the form of non-farm business closure or a fall in the price of output. Most households affected (62%) did not adjust their behavior to cope with these shocks, and a mere 2% chose to sell or harvest their outputs in advance. Coping strategies such as selling assets, borrowing from friends or family, or taking loans from institutions were not commonly observed. Potential reasons include lack of knowledge on how to sell assets or take loans; lack of assets or financial access; and risk aversion. Meanwhile, having additional income-generating activities, reducing food and non-food consumption, and hunting and gathering food were more common coping strategies for affected family farm and non-farm businesses.

FOOD SECURITY



Food insecurity has increased compared to April/May 2021. Around 68% of households experienced a certain degree of food insecurity, up from 63% of households in April/May 2021 and 52% in February/March 2021. The most common form of food insecurity was “eating only a few kinds of food”, as reported by 57.4% of households. Close to half of households were worried that they did not have enough food to eat. Quality of food was also compromised, with 47.9% of households unable to eat healthy and nutritious food. Around 45.5% of households ate less than before the pandemic.

Table 8. Food insecurity by degree of severity

	No Food Insecurity	Mild Food Insecurity			Moderate Food Insecurity			Severe Food Insecurity
		Worried about having enough food to eat	Were unable to eat healthy and nutritious food	Ate only a few kinds of food	Had to skip meal	Ate less than before March 2020	Ran out of Food	Were hungry but did not eat Went without eating for a whole day
All	32.4	49.7	47.9	57.4	0.0	45.5	0.0	No observation
Urban	37.3	48.3	42.5	52.8	0.0	40.8	0.0	
Rural	29.8	50.4	50.8	59.9	0.0	47.9	0.0	
Top 60	37.1	45.6	42.3	52.3	0.0	40.9	0.0	
Bottom 40	22.6	58.2	59.7	68.2	0.0	55.0	0.0	

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution.

For all forms of food insecurity, the incidence was higher among rural and bottom 40 households. For example, 55% of households in the bottom 40 ate less than before the pandemic, while only 41% of households in the top 60 did so. More than half of rural households ate only a few kinds of food, compared to 42.5% of urban households.

Almost two thirds of households found that some food items were more expensive than before. More than one third of households reported that markets/shops were closed. Unaffordability of food, affecting 35.3% of households, was a more acute issue than unavailability of food, which affected 25.9% of households. Food inflation was a more common issue for urban and top 60 households than for rural and bottom 40 households, while unaffordability of food was more commonly faced by rural and bottom 40 households.

Table 9. Issues faced in buying food items in the last 30 days

	Did you face any of the following issues in buying food items in the last 30 days?					
	Some items were more expensive than before	Markets/shops were closed	Did not have enough money	Some items were not available	No issues	Other issues
All	63.8	35.4	35.3	25.9	18.7	2.4
Urban	64.7	31.2	30.5	25.0	19.2	1.6
Rural	63.3	37.6	37.9	26.4	18.4	2.9
Top 60	66.2	35.4	31.6	26.8	18.7	2.4
Bottom 40	58.7	35.2	43.3	24.1	18.7	2.4

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution.

HEALTH



Medical services remained mostly accessible. Nearly all households (97%) who needed medical services reported being able to access them. There was no significant difference in access to medical services between urban and rural households, or between households in the bottom 40 and top 60, but rural households and households in the bottom 40 had higher incidences of needing medical services. Among those not able to access medical treatment, the most cited reasons were affordability (24.5%) and travel restrictions (27.1%).

Table 10. Medical services and COVID-19 vaccination

	Health services since April 2021 (% of households)			Vaccination (% of respondents)		
	Needed medical services	Needed services for stress, mental illness, or violence	...and successfully accessed these services	Fully vaccinated	Willing to be vaccinated	Hesitated to be vaccinated
All	56.6	46.2	96.7	86.6	11.6	1.8
Urban	49.5	39.7	97.3	93.2	4.5	2.3
Rural	60.4	49.6	96.5	83.1	15.3	1.6
Top 60	53.2	43.6	96.6	90.6	7.8	1.6
Bottom 40	63.7	51.6	97.1	78.2	19.6	2.2

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution.

COVID-19 vaccination coverage was high, with 86.6% of respondents fully vaccinated. By October/November 2021, there was less hesitancy to get vaccinated than in February/March 2021. In February/March 2021, 6.2% of respondents said they would refuse to get vaccinated while

another 6.7% were hesitant. By October/November 2021, only 1.8% of respondents were hesitant, with safety and side effects the main concerns (71.9%).

Notwithstanding the high vaccination rate, there was a significant gap of about 10-12 percentage points in vaccination rates between rural and urban areas (83.1% vs 93.2%), and between top 60 and bottom 40 respondents (90.6% vs 78.2%). This gap is mainly due to lack of access to vaccines rather than to vaccine hesitancy. Close to one fifth of respondents in the bottom 40 were willing to get vaccinated but had not received a vaccination, a situation that applied to only 7.8% of respondents in the top 60. Around 15% of respondents in rural areas were willing to get vaccinated but they have not been vaccinated, compared to only 4.5% of respondents in the urban areas.

EDUCATION



There has been no decline in school enrollment for either school-aged boys or girls since the pandemic began. However, there is still a gap in school enrollment between urban and rural areas (94.3% vs 91.4%) and between children from top 60 and bottom 40 households (94.2 vs 89.8%). Although 93.8% of households with school-aged children reported that schools have been closed since April 2021, only 29.1% of children in these households were engaged in remote learning during school closure, a figure which has not improved much since March-June 2020 (25.1%). Moreover, there was a large gap in remote learning incidence between urban and rural areas (41% vs 23.6%) and between the top 60 and bottom 40 (32.5% vs 23.4%). While remote learning incidence has improved significantly among urban households (from 26.4% in 2020), it has barely changed among rural households (from 24.6% in 2020).

About 66% of households with school-aged children who were engaged in remote learning, equivalent to about 20% of all households with school-aged children, reported that their children were learning online. This is a significant increase from March-June 2020, when only 24% of households with school-aged children engaged in remote learning were learning online. Again, the incidence of online learning was more than twice as high among urban households with school-aged children (32%) than for rural households with school-aged children (14.5%). A significant gap was also evident between households with school-aged children in the top 60 (23.4%) and bottom 40 (14.5%).

Table 11. Education during school closures

	% of school-aged children enrolled in school	Children engaged in remote learning during school closure (% of households with school-aged children)	Type of remote learning (% of households with school-aged children)	
			Assignment/ Homework	Online learning
All	92.2	29.1	9.1	20.0
Urban	94.3	41.0	9.0	32.0
Rural	91.4	23.6	9.1	14.5
Top 60	94.2	32.5	9.2	23.4
Bottom 40	89.8	23.4	8.9	14.5

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution. School-age children are those ages 6 – 17 years.

RESPONSE AND SUPPORT MEASURES



Around 64% of respondents were fully satisfied with the government's response to COVID-19, with rural and bottom 40 respondents generally more satisfied than urban and top 60 respondents. Given the limited coverage of social assistance program, a 62.2% satisfaction rate with government assistance measures might seem high, but this figure is low when compared to the satisfaction rate for containment measures (76.7%).

Table 12. Citizen satisfaction (% of respondents)

	Overall response			Containment measures			Assistance measures		
	Not satisfied	Somewhat satisfied	Fully satisfied	Not satisfied	Somewhat satisfied	Fully satisfied	Not satisfied	Somewhat satisfied	Fully satisfied
All	10.5	25.5	64.0	5.4	18.0	76.7	14.0	23.8	62.2
Urban	9.7	30.4	59.9	6.4	20.9	72.8	15.3	26.4	58.3
Rural	10.9	22.9	66.1	4.8	16.4	78.8	13.4	22.4	64.2
Top 60	10.3	27.3	62.5	5.0	19.0	75.9	14.1	24.2	61.7
Bottom 40	11.0	21.8	67.1	6.1	15.7	78.3	13.9	22.9	63.2

Notes: Results are weighted. Bottom 40 refer to individuals in the bottom 40 percent of the consumption distribution. Top 60 refer to individuals in the top 60 percent of the consumption distribution.

Table 13. Coverage of support measures (% of respondents)

	Individual tax relief		Business tax relief		Unemployment benefit	
	Total	With taxable income	Total	With microenterprise	Total	Unemployed
All	14.9	33.8	14.1	52.8	20.8	35.6
Urban	16.9	36.5	16.4	56.0	21.8	36.1
Rural	13.8	32.2	13.0	50.8	20.3	35.3
Top 60	16.7	35.8	15.7	52.4	20.8	35.4
Bottom 40	11.1	28.7	10.8	54.0	20.7	36.1

Notes: Results are weighted. Bottom 40 refer to individuals in the bottom 40 percent of the consumption distribution. Top 60 refer to individuals in the top 60 percent of the consumption distribution.

Nearly 15% of respondents have received individual tax relief, equivalent to one third of respondents with taxable income. Respondents in urban areas and the top 60 had higher incidences of receiving individual tax relief. Around 26% of respondents with taxable income did not receive tax relief because they did not know about the program, while another 20% did not receive it because they were not eligible.

There was evidence that eligible respondents with taxable income who experienced a more significant monthly income loss (more than half) had a higher likelihood of getting individual tax relief (Table 14). For example, only 28.2% of eligible respondents whose monthly income increased since the same time last year received individual tax relief, while 35.6% of eligible respondents whose monthly income decreased by more than half received individual tax relief.

Table 14. Incidence of individual tax relief measure

Household income...	% of respondents with taxable income who received individual tax relief		
	Compared to monthly income before the first outbreak in March 2020	Compared to monthly income the same time last year	Compared to monthly income before the second outbreak in April 2021
Increased	29.4	28.2	26.8
Stayed the same	32.4	34.4	37.9
Decreased	33.9	33.6	31.3
Decreased by more than half	36.8	35.6	36.2
Don't know	30.2	46.0	29.3

Notes: Results are weighted.

More than half of respondents with microenterprises (14.1% of respondents) have received business tax relief. The incidence of receiving business tax relief was higher among poorer respondents in urban areas. Around 20% of respondents with microenterprises did not receive business tax relief because they did not know about the program, while another 13% did not receive it because they were not eligible.

Around one-fifth of respondents have received unemployment benefits, a significant increase from the 8% reported in February/March 2021. Nevertheless, 37% of respondents said they were unemployed at some point during the pandemic but did not receive benefits. Of these, 13% did not know about the program and 14% were not eligible. There was no significant difference in the incidence of receiving unemployment benefits between respondents in urban and rural areas, or between the top 60 and bottom 40.

Table 15. Citizen expectation (% of respondents)

	Most important issue					Measure to help citizens cope with COVID-19								
	Increased price of necessary goods	Readiness of the public health system to handle COVID-19	Reduced income	Insufficient protective equipment	Mental health	Subsidized utilities	Expanded health services for basic needs	Access to COVID-19 information	Unemployment benefits	Supply of protective equipment	Travel restrictions between provinces	Access to finance, delayed loan payment	Tax relief measures	
All	38.4	23.6	16.1	13.2	8.5	18.5	17.9	14.2	9.9	8.9	5.8	5.2	4.8	
Urban	40.4	23.6	16.3	9.5	10.1	20.7	18.9	12.1	11.3	7.1	6.3	5.6	4.8	
Rural	37.3	23.6	16.0	15.1	7.7	17.3	17.3	15.3	9.1	9.9	5.6	4.9	4.8	
Top 60	39.7	23.3	15.7	12.2	9.1	18.3	18.5	11.9	11.2	8.8	6.0	5.9	5.4	
Bottom 40	35.5	24.4	16.9	15.3	7.3	18.6	16.6	19.0	7.0	9.3	5.5	3.6	3.5	

Notes: Results are weighted. Bottom 40 refers to individuals in the bottom 40 percent of the consumption distribution. Top 60 refers to individuals in the top 60 percent of the consumption distribution.

Only 54% of respondents were aware of the electricity subsidy. Only 33% of respondents observed a reduction in the rate per unit while 46% of respondents said their electricity bill increased compared to the same time last year.

The most widely reported pressing issues were an increase in the price of necessary goods (38.4%) and the readiness of the public health system to handle the COVID-19 pandemic (23.6%). These were quite consistent across respondents in rural and urban areas, and in top 60 and bottom 40 households. Meanwhile, mental health seems to be a more pressing issue in urban areas and among richer respondents.

When asked which type of government support could help respondents best cope with COVID-19, utility subsidies and expanded basic health services were cited most often. There was significant difference in this regard between respondents in rural and urban areas, and between top 60 and bottom 40 households. Rural and bottom 40 respondents were more concerned with access to COVID-19 information and sufficient protective equipment than were their urban and top 60 counterparts.

OUTLOOK



The second COVID-19 wave has delayed economic recovery. While most containment measures have now been lifted, the prolonged pandemic has left wide gaps in household livelihoods. COVID-19 inflicted multiple shocks on households, including to health and employment status, and through rising food prices. Most households, and vulnerable groups especially, have limited capacity to cope with these shocks as they lack savings, assets, and access to formal loans. With government assistance measures constrained by limited fiscal space, households have been forced to adopt adverse coping strategies which tend to have long-term negative effects on livelihoods. Learning losses due to school closure and inadequate remote learning will also have negative effects on human capital accumulation.

The high vaccine coverage brings optimism for the path to recovery. As the pandemic recedes, building back better in the recovery from the pandemic will require policy actions that can address the problems created by COVID-19, and are responsive to citizen expectations. Continued monitoring of the social and economic impacts of the pandemic on households, and of differing rates of recovery, are thus important.

Survey Methodology

This brief summarizes results from the COVID-19 Rapid Monitoring Phone Survey of Households in Lao PDR. Fieldwork was administered by Indochina Research. The sample was drawn using Random Digit Dialing. The final sample of 1993 households is nationally representative. Survey weights were adjusted to match the share of households by urban and rural area, region, household size, and the dependency ratio, to strengthen representativeness.

One main respondent aged 18 years or older was interviewed from each household. About 64% of respondents were male and 74% were Lao-Tai. Around 34% and 48% of respondents were aged 18–34 and 35–54 respectively. 54% of the respondents were household heads, 21% were spouses, and 19% were sons or daughters.

Fieldwork ran from October 25 to November 19, 2021. About 44% of respondents were interviewed in October. March 2020 was the reference month for the first wave of COVID-19 and April 2021 was the reference month for the second wave. Responses about pre-pandemic status refer to February 2020.

The survey instrument includes questions regarding employment, family farms, household businesses, sources of income and income loss, food security, shocks and coping strategies, health, education, and government measures and assistance.