COVID-19 IMPACTS ON HOUSEHOLDS IN LAO PDR

Findings from COVID-19 High Frequency Phone Surveys Round 4
October - November 2021
BACKGROUND

- The second wave of COVID-19 in Lao PDR started in April 2021, and the number of cases rose from fewer than 50 cases in early April to over 100,000 cases in December 2021.

- In response to the outbreak, the Lao government announced a partial lockdown on April 22, 2021. Only businesses and restaurants in areas without community outbreaks were allowed to remain open.

- Vientiane Capital entered a full lockdown on September 19, but retail shops, supermarkets, minimarts, and fresh markets were allowed to remain open.

- Since October 2021, several measures and restrictions have been gradually eased. Inter-provincial travel resumed in November, but most schools remained closed.

- International borders had been closed since March 2020, before Phase 1 of the reopening plan started in January 2022.
In December 2021, retail and work mobility remained at 25% below the pre-pandemic level while travel was 40% below the pre-pandemic level.

GDP growth was 0.5% in 2020 and was estimated to grow 2.2% in 2021.

Source: google.com/covid19/mobility. Note: Pre-pandemic level is the median value of the 5-week period from January 3 to February 6, 2020.)
**MAIN FINDINGS**

### Employment
- 31% of respondents reported not working in Oct/Nov 2021, compared to 18% before the first wave and 24% before the second wave.
- Informal workers were hit hardest. Close to a third of those employed before the pandemic reported not working in Oct/Nov 2021.
- Industry and traditional services experienced the largest job declines. Agriculture absorbed not only workers who had lost their jobs but also those previously not working.

### Household business and farming
- 35% of pre-COVID household businesses (excluding businesses in public administration) were temporarily or permanently closed in Oct/Nov 2021.
- 71% of pre-COVID household businesses experienced a fall in revenue compared to the pre-pandemic level.
- 27% of farming households faced disruption in their farming activities.

### Income
- 64% of households experienced a decline in total household income compared to the pre-pandemic level, an increase from 48% in Jun/Jul 2020.
- 28% experienced a decline of more than half.
- Average value of international remittances to recipient households fell by 21% between 2019 and 2021.

### Shocks and coping strategies
- Most common shocks experienced by households during the pandemic: an increase in food prices (77%), job loss or reduced income (68%), and natural disasters (28%).
- 36% of households affected by increasing food prices reduced their food consumption but received almost no assistance.
- 40% of households engaged in additional income generating activities, and 16% hunted or gathered food to compensate for job loss or reduced income. Only 1% relied on savings and less than 4% relied on formal or informal borrowing, or government assistance.
MAIN FINDINGS

Food security

- Food insecurity was moderate, with 46% reporting that they ate less than they did before the pandemic.
- 64% experienced unusually high food prices while 35% did not have enough money to buy food and 35% found that shops were closed.

Government response and citizens’ opinion

- 64% fully satisfied with government response to COVID-19.
- 14% not satisfied with assistance measures.
- 34% of respondents with taxable income benefited from individual tax relief. More than half of households that own microenterprises benefited from business tax relief.
- 36% of respondents unemployed during COVID-19 received unemployment benefits.
- Only 54% of respondents aware of electricity subsidy and only 33% observed a reduction in the rate per unit.
- 38% and 24% considered inflation and readiness of the health system, respectively, as the most pressing issues.
- 19% and 18% indicated utility subsidies and health services expansion, respectively, as the program that would help citizens best cope with COVID-19.
- 86% agreed that the government should arrange public consultations/allow citizens to voice opinions about pandemic response measures.

Health and education

- 87% of respondents fully vaccinated. Vaccine hesitancy is low at 1.8%.
- Significant gaps in vaccination rates between rural and urban areas (83% vs 93%), and between top 60 and bottom 40 households (91% vs 78%), mainly due to lack of access to vaccines rather than vaccine hesitancy.
- 57% of households have needed medical services since the second outbreak. 46% needed health services due to mental illness or violence. 97% of households who needed these services were able access them.
- Only 29% of households had their school-aged children engaged in remote learning activities during school closure, a figure not improved much since Mar-Jun 2020 (25%). The remote learning incidence was much higher in urban than rural areas (41% vs 24%), driven by a slower recovery in rural areas since Mar-Jun 2020, and in top 60 than bottom 40 households (33% vs 23%).
- 57% of remote learning was through Khang Panya Laos.
1. Survey
Design

- **Method**: High Frequency Phone Surveys (HFPS) for regular monitoring of the impact of COVID-19. Round 4 was conducted Oct 25 – Nov 19, 2021, interviewing 1,993 respondents. Administered by Indochina Research (IRL).

- **Tracked indicators**: (i) employment, sources of income, return migrants, farm and family businesses, (ii) shocks and coping strategies, (iii) food security, (iv) health and education, (v) government measures and assistance.

- **Sampling**: Random Digit Dialing, with a mix between heads of household and members of household. Respondents are at least 18 years old.

- Representative at national, urban/rural.

- **March 2020** is the beginning of the first wave. **April 2021** is the beginning of the second wave.
Sample distribution by geography of LECS 6 and HFPS

Survey weights are adjusted to match the share of households by urban and rural area, region, household size, and the dependency ratio from the Lao Expenditure and Consumption Survey 2018/19 (LECS 6), to strengthen representativeness.
Sample distribution by household size and dependency ratio of LECS 6 and HFPS

Survey weights are adjusted to match the share of households by urban and rural area, region, household size, and the dependency ratio from the Lao Expenditure and Consumption Survey 2018/19 (LECS 6), to strengthen representativeness.
Characteristics of respondents

Age group

- 18-34: 17.0%
- 35-54: 33.6%
- 55+: 49.4%

Ethno-linguistic group

- Lao-Tai: 14%
- Mon-Khmer: 5%
- Chine-Tibet: 5%
- Hmong-lumien: 5%
- Other: 2%

Gender

- Women: 63.2%
- Men: 36.8%

Household composition:
Average number of household members by age group

- Children 0-6: 0.65
- Children 6-14: 0.86
- Members 15-64: 3.11
- Members 65+: 0.19
44% of respondents have not completed secondary education

Characteristics of respondents

Highest Education Level (% out of total respondents)

- Didn't attend schools
- Primary school
- Secondary school
- High school
- Vocational education
- College/ university
- Masters degree/
2.

Employment and Income
31% of respondents did not work Oct/Nov 2021, 60% due to COVID-19 restrictions, illness or quarantine.

Employment status in the past 7 days

- Working: 69.3%
- Not working but have a job to return to: 19.8%
- Not working: 10.9%

Reason for not working in the past 7 days

- COVID-19 restrictions: 51.7%
- Seasonality: 18.1%
- Others: 2.3%
- Studying and/or farming: 5.2%
- Childcare: 5.7%
- Retired or disabled: 5.0%
- Vacation: 4.3%
- Illness/quarantine: 7.7%
24% of respondents who did not work tried to find a job but could not find one, and among those who were in employment, 49% experienced a decline in labor income since the second wave started.

Did you look for a job or try starting a business in the past month?

- Didn't want to work: 10.9%
- No: 53.5%
- Yes, but couldn't find a job: 24.2%
- Yes, I could find a job but I did not accept it: 10.9%

% of respondents not working in Oct/Nov 2021

Labor income compared to the level before the second wave

- Didn't receive income: 1.2%
- Decreased: 48.7%
- Stayed the same: 38.8%
- Increased: 11.3%

% of respondents working in Oct/Nov 2021
The second wave has resulted in a 7 pp decline in employment since the onset of the pandemic, employment has declined by 13 pp.
Close to one-third of informal wage workers and those working in industry and traditional services before the pandemic did not work in Oct/Nov 2021.

*Formal wage workers are those entitled to social security benefits/insurance. The result holds when formal wage workers are defined as those with work contracts.*
Since the onset of COVID-19, industry and traditional services have experienced the largest job declines, while agriculture has absorbed not only some workers who lost their jobs during the pandemic but also those previously not working.
35% of pre-COVID household businesses were temporarily or permanently closed, a rate rising to 43% for service businesses.

80% closed due to COVID-19 restrictions or difficulties with transport and 12% due to lack of demand.

**REASON FOR BUSINESS CLOSURE**

COVID-19 restrictions 72%

Can't travel / transport goods for trade 7%

Others 9%

No customers / fewer customers 12%

Note: Graph excludes household businesses in public administration.
71% of pre-COVID household businesses have experienced a fall in revenue (including no revenue) compared to the pre-pandemic level.

New businesses have opened during COVID-19. The share of new businesses was highest in agriculture.

Note: Graph excludes household businesses in public administration.
27% of farming households faced disruption in their farming activities during the second wave. In addition to COVID-19 restrictions, lack of funding and difficulties in buying inputs or selling outputs are the main factors.

Causes of disruptions in farming activities

- Required to stay home: 75%
- Difficulties in buying inputs or selling outputs: 13%
- Labor shortage: 9%
- Cash shortage: 3%

Reasons why households stopped farming

- Required to stay home: 62%
- Difficulties in buying inputs or selling outputs: 23%
- Labor shortage: 10%
- Cash shortage: 5%
- Don't know: 3%
64% of households experienced a decline in total household income compared to pre-pandemic level, of which 28% experienced a decline of more than half.
Most households relied on farm and wage income. During the past year, non-farm business income and international remittances were affected the most.
Over 10% of households reported having someone return to live in the household since March 2020.

Share of households receiving international remittances dropped in 2020, before recovering in 2021.

Average remittances among recipient households dropped by more than 21% between 2019 and 2021.
3. Shocks and coping strategies
Some households have experienced multiple shocks:

- **77%** of households have experienced an increase in food prices
- **68%** of households have experienced job loss or reduced income
- **28%** of households have experienced flood/drought or natural disaster
- **23%** of households have experienced non-farm business closure.

Compared to Jun/Jul 2020, the share of households experiencing:

- non-farm business closure has more than tripled
- illness, injury, death of earner has almost tripled.

* Results from Jun/Jul 2020 are not comparable
40% of households engaged in additional income generating activities and 16% hunted or gathered food to compensate for job loss or reduced income. Only 1% relied on savings and less than 4% relied on formal or informal borrowing, or government assistance.

36% of households affected by increased food prices reduced their food consumption but received almost no assistance.

### Coping strategies by households facing job loss/reduced income (%)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional income generation</td>
<td>40.0%</td>
</tr>
<tr>
<td>Did nothing</td>
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</tr>
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<td>Hunted or gathered food</td>
<td>15.8%</td>
</tr>
<tr>
<td>Reduced/substituted food consumption</td>
<td>9.1%</td>
</tr>
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<td>Reduced/substituted non-food consumption</td>
<td>6.2%</td>
</tr>
<tr>
<td>Assistance from friends &amp; family</td>
<td>2.3%</td>
</tr>
<tr>
<td>Sold assets</td>
<td>1.7%</td>
</tr>
<tr>
<td>Relied on savings</td>
<td>1.1%</td>
</tr>
<tr>
<td>Sold harvest in advance</td>
<td>0.8%</td>
</tr>
<tr>
<td>Borrowed from friends &amp; family</td>
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<tr>
<td>Received assistance from government</td>
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<tr>
<td>Took a loan from an institution</td>
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<tr>
<td>Delayed payment obligations</td>
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</tr>
<tr>
<td>Moved to another village or area</td>
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</tr>
<tr>
<td>Received assistance from NGO</td>
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</tr>
<tr>
<td>Credited purchases</td>
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<tr>
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<tr>
<td>Advanced payment from employer</td>
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### Coping strategies by households facing an increase food prices (%)

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<tr>
<td>Reduced/substituted food consumption</td>
<td>35.6%</td>
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<tr>
<td>Did nothing</td>
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<td>Delayed payment obligations</td>
<td>0.0%</td>
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</table>
Only 11% of households affected by flood/drought/natural disasters received assistance. Less than 2% used own savings to cope with the shock reflecting vulnerability to shocks.

When affected by illness, injury or death of earner, affected households relied heavily on support or borrowings from friends and family (30%).

Coping strategies by households affected by floods/droughts/national disasters

- Did nothing: 61.0%
- Additional income generation: 18.9%
- Received assistance from government: 6.1%
- Assistance from friends & family: 4.3%
- Hunted or gathered food: 3.4%
- Moved to another village or area: 2.3%
- Relied on savings: 1.6%
- Reduced/substituted food consumption: 1.5%
- Sold assets: 1.2%
- Borrowed from friends & family: 1.1%
- Received assistance from NGO: 1.1%
- Sold harvest in advance: 1.0%
- Reduced/substituted non-food consumption: 0.3%
- Credited purchases: 0.2%
- Covered by insurance: 0.0%
- Advanced payment from employer: 0.0%
- Delayed payment obligations: 0.0%
- Took a loan from an institution: 0.0%

Coping strategies by households affected by illness, injury, death of earner

- Did nothing: 41.6%
- Assistance from friends & family: 12.5%
- Additional income generation: 9.3%
- Borrowed from friends & family: 6.2%
- Sold assets: 6.1%
- Received assistance from government: 3.4%
- Hunted or gathered food: 3.4%
- Took a loan from an institution: 2.4%
- Relied on savings: 2.3%
- Received assistance from NGO: 2.1%
- Covered by insurance: 1.9%
- Sold harvest in advance: 0.7%
- Credited purchases: 0.6%
- Moved to another village or area: 0.0%
- Advanced payment from employer: 0.0%
- Reduced/substituted non-food consumption: 0.0%
- Reduced/substituted food consumption: 0.0%
- Delayed payment obligations: 0.0%
30% of workers used digital technology for their work, 6% of whom adopted it during COVID-19.
4. Food security
64% of respondents experienced unusually high food prices while 35% did not have enough money to buy food and 35% found that shops were closed.

During the last 30 days, was there a time when you or others in your household ... because of a lack of money or other resources?

- Worried about not having enough food to eat: 49.7%
- Were unable to eat healthy and nutritious food: 47.9%
- Ate only a few kinds of foods: 57.4%
- Had to skip a meal: 32.9%
- Ate less than before March 2020: 45.5%
- Ran out of food: 0.0%
- Were hungry but did not eat: 0.0%
- Went without eating for a whole day: 0.0%

Did you face any of the following issues in buying food items in the last 30 days?

- Some items were more expensive than usual: 63.8%
- Markets/shops were closed: 35.4%
- Did not have enough money: 35.3%
- Some items were not available: 25.9%
- No issues: 18.7%
- Other issues: 2.4%
5.

Health and Education
COVID-19 vaccination coverage is high. 87% of respondents have been fully vaccinated. Vaccine hesitancy is low at 1.8%.

There is a significant gap in vaccination rates between rural and urban areas and between top 60 and bottom 40 households. This is due mainly to lack of access to vaccines rather than vaccine hesitancy.

For example, close to one fifth of respondents in the bottom 40 were willing to get vaccinated but have not been vaccinated, compared to only 7.8% of respondents in the top 60.
57% of households have needed medical services since the second outbreak in April 2021.

46% of households have needed health services for physical or mental support due to stress, mental illness and/or violence since the second outbreak in April 2021.

97% of households who needed these services were able to access them.
School enrollment did not decline compared to the pre-pandemic level.

91% 93%
92% 92%

Boys Girls

Pre-COVID Oct/Nov 21

94% of respondents said school had been closed since the second outbreak in April 2021. Only 29% of households said their school-aged children were engaged in remote learning activities during school closure.

Not engaged in remote learning activities 71%
Session/meeting with lesson teacher or tutor 1%
Completed assignments provided by the teacher 9%
Used mobile learning apps 18%
Used Zoom/WhatsApp/Google Meet 1%

57% of remote learning through Khang Panya Laos
Moreover, there was a large gap in remote learning incidence between urban and rural areas and between the top 60 and bottom 40.

<table>
<thead>
<tr>
<th>Type of remote learning (% of households with school-aged children)</th>
<th>Assignment/ Homework</th>
<th>Online learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of school-aged children enrolled in school</td>
<td>29.1</td>
<td>9.1</td>
</tr>
<tr>
<td>92.2</td>
<td>94.3</td>
<td>94.2</td>
</tr>
<tr>
<td>23.6</td>
<td>23.4</td>
<td>32.5</td>
</tr>
<tr>
<td>9.1</td>
<td>9.0</td>
<td>9.2</td>
</tr>
<tr>
<td>20.0</td>
<td>32.0</td>
<td>23.4</td>
</tr>
<tr>
<td>9.1</td>
<td>14.5</td>
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</tr>
</tbody>
</table>

Remote learning incidence has improved significantly among urban households compared to the March-June 2020 level (26.4%), but barely changed among rural households (from 24.6% in 2020).
5. Government measures and assistance
64% were fully satisfied with government response to COVID-19. Respondents were generally satisfied with containment measures but 14% said they were not satisfied with assistance measures.
15% of respondents have benefited from the individual tax relief measure while 11% had taxable income but did not know about the measure.

21% of respondents have received unemployment benefits. 37% were unemployed during COVID-19 but did not receive benefits. 13% of these did not know about the measure and 14% were not eligible.
Half of households that owned microenterprises have benefited from business tax relief.

Only 54% of respondents were aware of the electricity subsidy.

Only 33% of respondents observed a reduction in the rate per unit.

46% of respondents said their electricity bill increased compared to the same time last year.
38% and 24% considered inflation and readiness of the health system respectively as the most pressing issue.

<table>
<thead>
<tr>
<th>Most important issue that the government should address first...</th>
<th>Government program that would help you the most... (% of respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased price of necessary goods</td>
<td>Subsidized utilities services</td>
</tr>
<tr>
<td>The readiness of the public health system to handle the COVID-19 pandemic</td>
<td>Expanded health services for basic needs</td>
</tr>
<tr>
<td>Reduced income</td>
<td>Access to information on COVID-19,...</td>
</tr>
<tr>
<td>Insufficient protective equipment (masks, alcohol, and others)</td>
<td>Unemployment benefits</td>
</tr>
<tr>
<td>The mental health of the people in the community such as worries and stress</td>
<td>Supply of protective equipment, e.g,...</td>
</tr>
<tr>
<td>The electricity bill increased</td>
<td>Travel restrictions between provinces</td>
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<td></td>
<td>Access to finance, delaying loan payment</td>
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<tr>
<td></td>
<td>Tax relief measures</td>
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<tr>
<td></td>
<td>Subsidized agricultural inputs (seeds,...)</td>
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<td></td>
<td>Marketing support for agricultural goods</td>
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<tr>
<td></td>
<td>Strict implementation of lockdown...</td>
</tr>
</tbody>
</table>

19% and 18% indicated utilities subsidy and health services expansion respectively as the program that would best help citizens cope with COVID-19.
When asked if the government should arrange public consultations or allow citizens to voice opinions about response measures to the pandemic, 86% agreed.
THANK YOU