



## HOW DID THE COVID-19 CRISIS AFFECT DIFFERENT TYPES OF WORKERS IN THE DEVELOPING WORLD?

The COVID-19 pandemic is the worst global macroeconomic shock since the Great Depression. **This brief reports which groups of workers have been hit hardest by the jobs impact following the economic fallout of COVID-19 in developing countries.**<sup>1</sup> It complements an earlier study by Khamis et al. (2021) that shows that the onset of the pandemic had major and pernicious adverse effects on the livelihoods of workers across about 40 developing countries.

This brief reveals the following:

- **Larger shares of female, young, less educated, and urban workers stopped working, with gender differences being particularly pronounced.** Although women work in different sectors than men, gender gaps in work stoppage stemmed mainly from differences within sectors rather than differential employment patterns across sectors.
- Looking at people who remained employed, **changes in sector of employment and employment type were similar for all groups except for age**, where young workers saw a slightly larger decline in industrial employment than older workers.
- **Employment increased between April and October with larger gains for the groups with larger initial job losses.** For most groups, however, the employment recovery was not nearly enough to reach pre-pandemic levels.
- **Phone surveys give a generally accurate picture of group disparities in employment rates following the onset of the crisis** and are proving to be a valuable tool for monitoring differential impacts of the crisis on workers.

**This analysis fills an important knowledge gap**, as there is limited systematic evidence about the crisis' impact on different types of workers in developing countries. Evidence from developed countries points to traditionally disadvantaged workers in the labor market being disproportionately affected by the pandemic (Lee et al., 2021; Fairlie et al., 2020). Our recently released

study examines whether this is also the case in developing countries, also drawing on information from about 40 countries across five regions. This information sheds light on the extent to which the crisis is exacerbating traditional disparities and the potential need for policy interventions targeted to particularly affected groups.

<sup>1</sup> We calculate statistics for each individual country using the household weights constructed by the World Bank and national statistics offices. The cross-country averages are calculated as simple averages between the 40 country-level values.

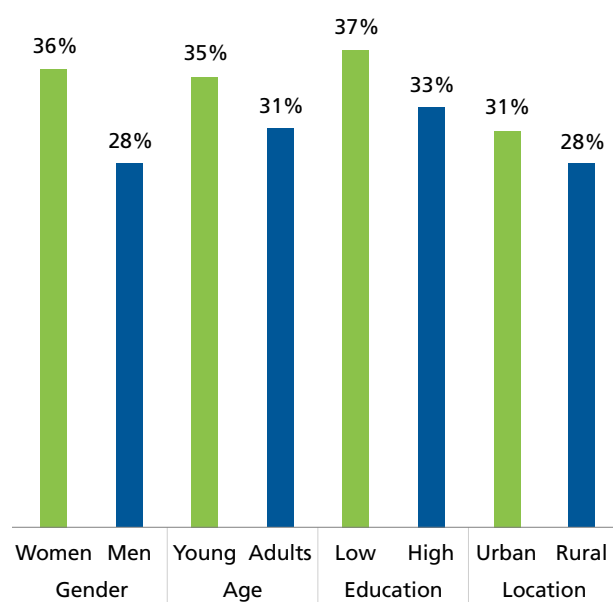
**Work stoppage rates in April-June 2020 ranged between 28% and 37% and the gender gap was larger than differences in work stoppage by age, education, or location** (Figure 1). Women were 8 percentage points more likely than men to stop working in the early stage of the pandemic, young and low-educated workers were 4 percentage points more likely to stop working than adult and high-educated workers respectively, while the rate of work stoppage for workers in urban locations was 3 percentage points higher than for rural workers. In sum, female, young, less-educated urban workers were most likely to stop working in the initial phase of the pandemic.

**Women were more likely to stop working than men employed in the same economic sectors.**

The larger penalty of the pandemic on female rather than male employment have been linked to gender differences in care and domestic responsibilities as well as to gender differences in pre-pandemic sectors of employment.<sup>2</sup> The closing of schools and nurseries since the start of the pandemic meant an increase in the time allocated to housework and childcare. The

**FIGURE 1**

**Rate of work stoppage by group**



Source: World Bank High-Frequency Phone Surveys 2021.

Notes: Statistics using Wave 1 of the HFPS for 40 countries when grouping by gender and age, 30 when grouping by education, and 35 by location. The rate of work stoppage is obtained as simple averages between country-level values.

evidence so far from developed countries shows that, in general, both women and men increased the amount of time allocated to these activities, but the extra time was larger for women. At the same time, the present crisis differs from previous recessions in that sectors employing larger shares of women—such as travel, restaurant, and other services—have been more affected due to social distancing measures.

Not much of the gender gap in work stoppage is explained by two often cited factors—care responsibilities and gender segregation of pre-pandemic sectors of employment (Figure 2). **Children learning activities at home explain little of the gender gap.** This could be related to cross-country differences in the way children participated in remote learning activities while schools were closed. Looking at the contribution of pre-pandemic sectors of employment, they only explain 7% of the observed gender gap in work stoppage, with some sectors contributing positively to the gap—sectors that typically have a larger share of female employment such as other services and commerce, while some others contributed negatively—sectors with larger shares of male employment, such transport and communications and construction. These results indicate that **gender differences in pre-pandemic sectors of employment also explain little of the gender disparity in work stoppage.** Instead, the gender gap was primarily caused by female workers being much more likely to stop working than men working in the same sectors.

Employment is not the only important labor market outcome, as the type of job people have is related to their productivity. **Looking at people who remained employed, changes in sector of employment and on employment type were similar for all groups except for age.** Employment fell slightly more for youth than adults in the industrial sector, but overall, we find no major differences.

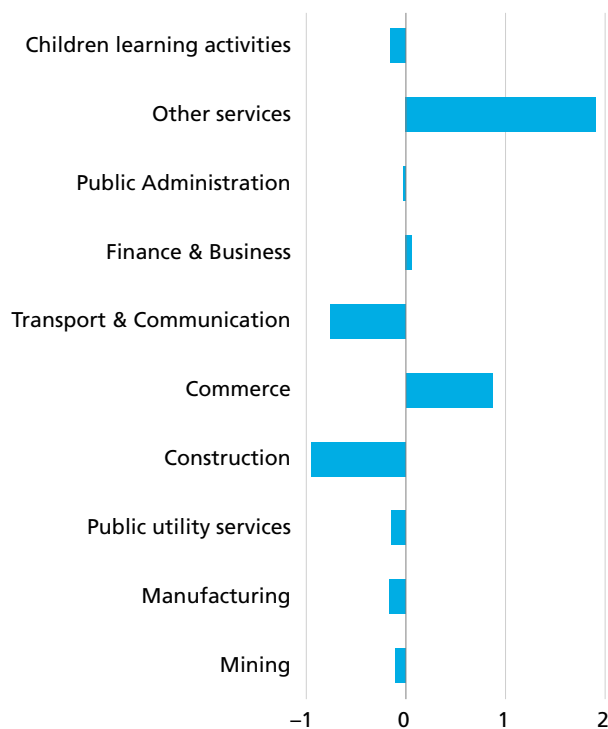
**Employment increased between April and October with larger gains for the groups with larger initial job losses.**

Data on employment between April and October is only available for a much smaller set of 17 countries. However, Figure 3 shows that female, less educated, young, and, to a lesser extent, urban workers had larger employment gains during this period. **Nonetheless, for most groups, the employment recovery was not nearly enough to reach pre-pandemic levels.** In August-October 2020,

<sup>2</sup> Adams-Prassl et al., 2020; Del Boca et al., 2021; Albanesi et al., 2021; Alon et al., 2020; Alon et al., 2021.

**FIGURE 2**

**Oaxaca-Blinder decomposition of the gender difference in work stoppage**



Source: World Bank High-Frequency Phone Surveys 2021.

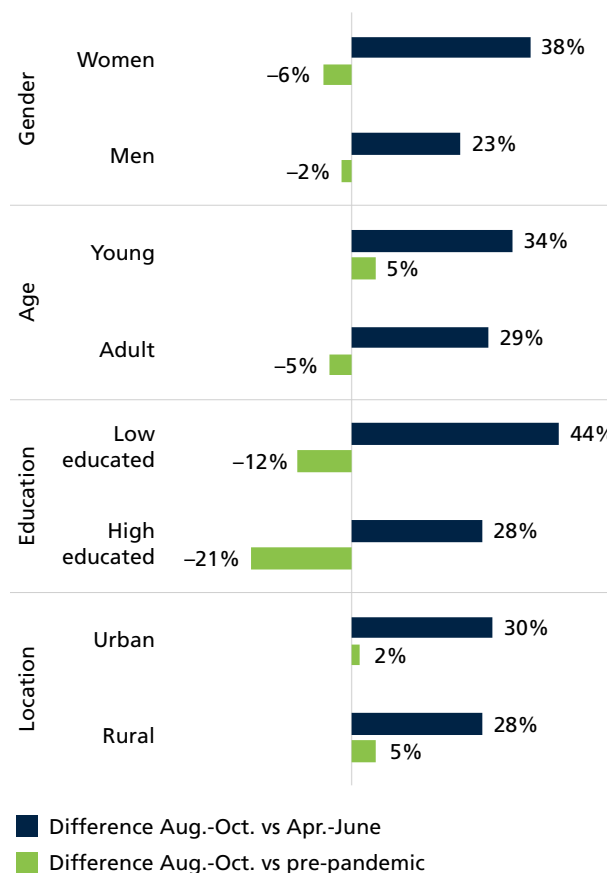
Notes: Bars show the portion of the total gender difference in work stoppage explained by different observed characteristics. Model run using Wave 1 of the HFPS. Model controls for young, low-educated, urban indicator variables and country fixed effects. Omitted sector: Primary activities. Weights were adjusted to add up to 1 in each country. Included countries: Bulgaria, Bolivia, Chile, Colombia, Costa Rica, Dominican Rep., Ecuador, Croatia, Madagascar, Peru, Philippines, Paraguay, South Sudan. The contribution of all sectors together is 0.006. Female-Male observed difference is 0.091.

female and male employment rates were still 6% and 2% below their pre-pandemic levels, respectively. Adult employment was 5% below, while for young workers the employment rate was 5% above the pre-pandemic value. Because of limitations in the data, **it is difficult to know if the jobs gained were of similar quality to those lost.**

**Phone surveys give an accurate picture of group disparities in employment rates following the onset of the crisis.** The HFPS data we are using greatly over-represent sample heads and therefore overestimate employment rates. However, in five countries the surveys were careful to collect labor market information from all adult members and not just one. In these five countries, the data from one respondent, even if it is

**FIGURE 3**

**Change in employment between April and October**



Source: World Bank High-Frequency Phone Surveys 2021.

Notes: Statistics using 17 countries with available information when grouping by gender and age, 14 when grouping by education and 13 by location.

mainly household heads, provide reasonably accurate measures of disparities in employment levels by gender, education, and urban/rural location following the onset of the crisis, though they perform less well in capturing disparities between age groups.

As an illustration, Figure 4 shows the comparison of the group differences by gender, age, and location in Kenya. The left bar shows the estimates for all household members, the middle bar shows the estimates for survey respondents only, and the right bar shows the estimates for survey respondents that were reweighted in an attempt to correct for sampling bias. The gender and urban/rural differences are similar in all three cases. The age difference improved when applying the reweighting technique, but it is still far from the result

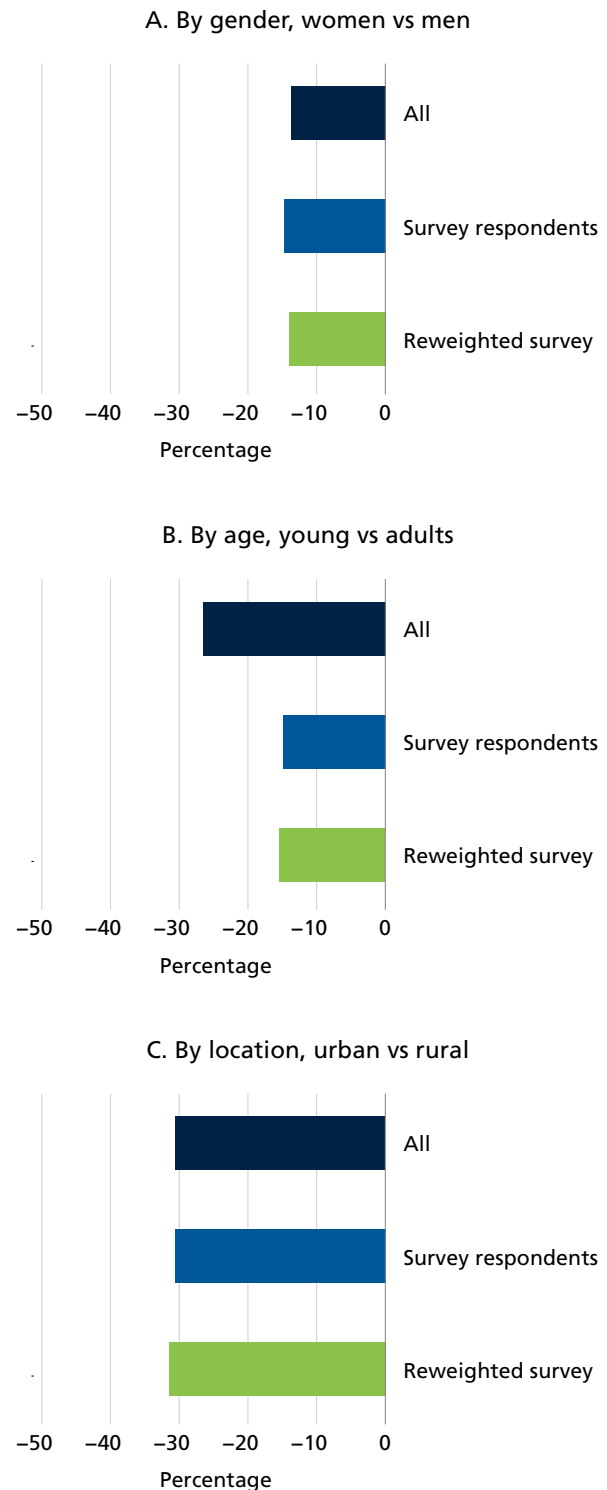
for all household members. This indicates that in Kenya, the reweighted HFPS delivers an accurate estimation of differences across gender and locations but the difference by age is not precisely estimated. Similar results were found for the other four countries. In sum, **the HFPS, when used with appropriate caution, is proving to be a most valuable tool for the timely monitoring of group differences in the employment impact of the pandemic.**

The COVID-19 pandemic shock hit some groups in the labor market disproportionately harder. In particular, **female, young, less-educated and to a lesser extent urban workers bore the brunt of the burden of the labor market impact from the COVID-19 shock. There was some job recovery by these same groups in the countries where data were available but not nearly to an extent enough to compensate for the initial collapse in employment and income.**

These results shed new light on the labor market consequences of the COVID-19 crisis in developing countries, and suggest that **real-time phone surveys, despite their lack of representativeness, are a valuable source of information to measure differential employment impacts across groups during a crisis such as the current pandemic.**

**FIGURE 4**

**Comparison of group differences in employment levels during-COVID between different samples in Kenya**



Source: World Bank High-Frequency Phone Surveys 2021.  
 Notes: Group differences in percentages. Data from the World Bank COVID-19 Rapid Response Phone Survey collected between May and June of 2020.

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