



COVID-19 Socioeconomic Survey Chile

Summary of Main
Results from the
First wave
(July 2020)



COVID-19 Social Survey Chile



The COVID-19 pandemic has had diverse economic and social consequences, felt throughout the world, for which governments still don't have any definitive answers. The United Nations Development Programme (UNDP) has projected that, at a global level, 2020 will be the first year since its creation in which a majority of countries will see their Human Development Index fall.

Within the framework of the Socioeconomic Impact Assessment, which the UNDP is carrying out at a global level in response to the coronavirus crisis, the UN Country Office in Chile has designed and implemented the COVID-19 Social Survey, in partnership with the Ministry of Social Development and Family (MSDF) and the National Statistics Institute (NSI). The goal of this project is to better understand the social and economic impacts, both direct and indirect, of the spread of COVID-19 on Chilean households. It does this by generating reliable and timely information to help design public policies that will contribute to an inclusive response to the crisis in the recovery phase. The survey was carried out remotely, via telephone interview. The sample of 4,426 households is representative at a national level and for each of the country's macrozones (North, Central, South, Far South, and the Santiago Metropolitan Region), and includes information from 13,648 individuals.

The results of the COVID-19 survey demonstrate two main effects of the pandemic. The first is an effect on the economic *level*, and it shows that the pandemic had an impact across the whole of

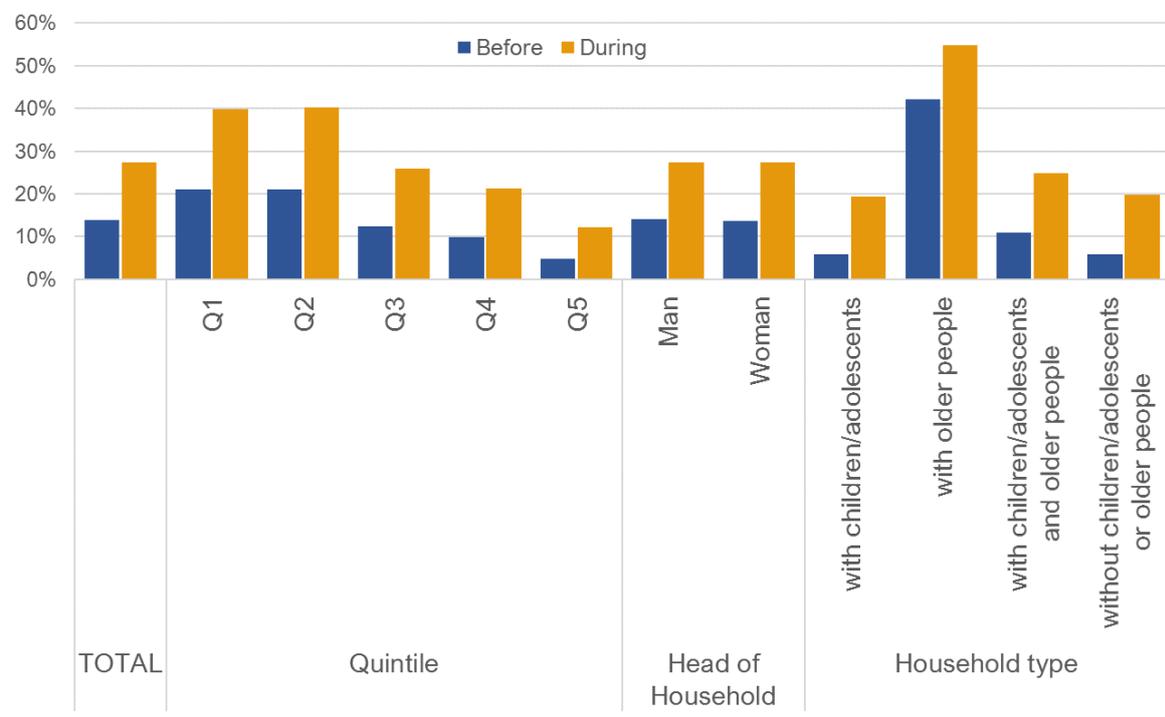
society, affecting households at every level of income and in every part of the country. The reduction in people's mobility as a result of social distancing measures used to control the spread of the virus, hit entire sectors of the economy, particularly the tourism, service, and construction sectors, which either ceased operations entirely or severely reduced their activities. Within these sectors, the data shows that all workers were affected (male and female workers, workers with and without a contract, highly and less qualified workers).

When it comes to employment, the survey shows that during the crisis some 38% of Chilean households saw a drop in the number of people in work. As a result, during the pandemic 27% of surveyed households had not a single employed member, compared to a figure of 14% before the pandemic. As in the case of income sufficiency, households run by women and in the two lowest income quintiles are the most vulnerable. Among them, between 30% and 40% of households do not have a single earner.

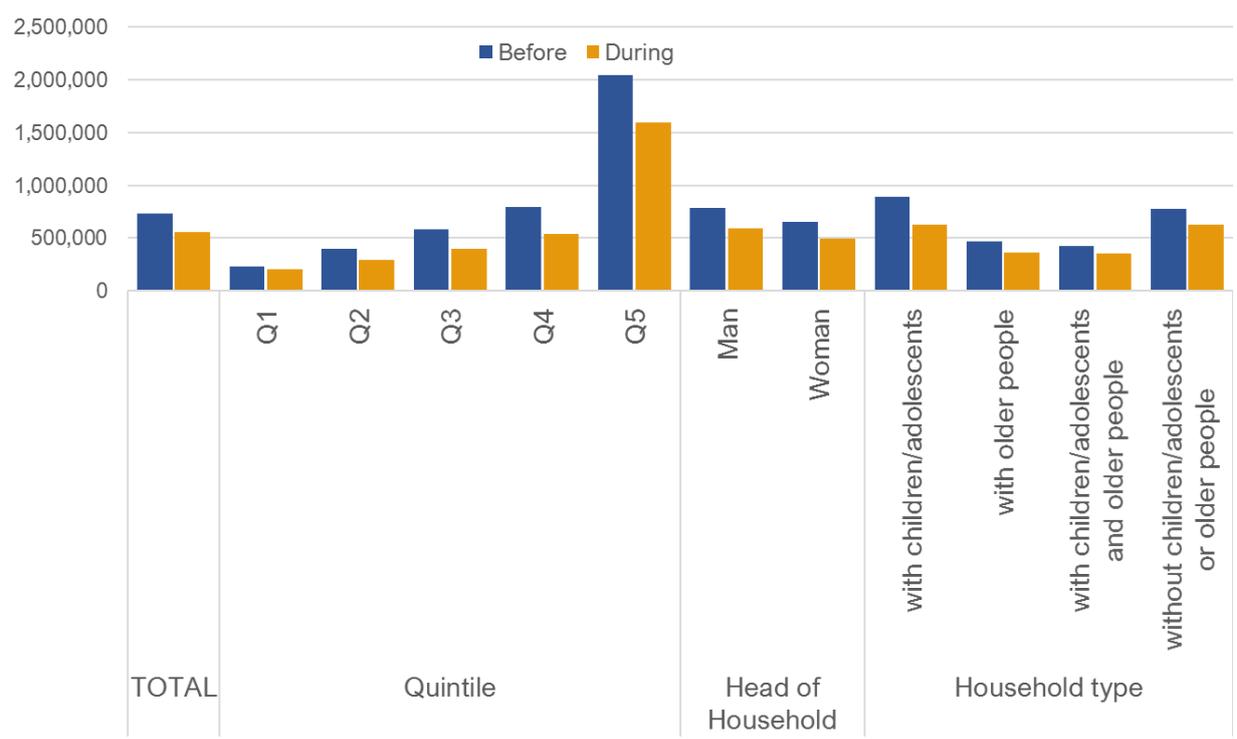
The survey gives us an overview of household income before and during the health crisis: 59% of households say their total income dropped during the crisis, with 42% reporting that their income is half or less than half of what it was prior to the crisis, while 3% claim that their household income has been reduced to zero. And so, while 17% of households claimed their income "was not enough" to cover their costs before the pandemic, during the crisis this percentage rose to 49% of households.



Percentage of households with no adults in the workforce, before and during the pandemic



Total household income before and during the pandemic (average, \$)





Secondly, despite the fact that the virus' impact transcends societal differences, the data also shows an effect of a distributive nature. The impacts of the pandemic interact with pre-existing structural inequalities. This means that some households appear to be particularly vulnerable to the pandemic's socioeconomic effects, and, as a result, to its medium-term consequences during the recovery period. This occurs because, in order to cope with the pandemic's impact on income, and depending on their means, households have been obliged to implement a range of strategies, such as taking on debt, reducing their assets or defaulting on payments. While these strategies may have helped alleviate matters during the pandemic, they may also mean households are at greater risk in the future.

The data shows that 53% of households reduced their assets (sold possessions, spent savings, leased or sold property) and 40% of households took on debt (asked for a loan or credit from a bank or other financial entity, from family, friends, neighbours or acquaintances; withdrew cash on a credit card or from a retail store card; or used a line of credit).

It was households with the lowest incomes that relied most on strategies leading to debt accumulation, loss of assets, and payment defaulting, in order to cushion the economic effects of the pandemic. Within that group, households with children and teenagers or with a female head of household used these strategies the most.

When it comes to health, during the pandemic 67% of households postponed non-COVID medical attention or treatment, 17% reduced their expenses on medication, and 21% have at least one

person with moderate or severe mental health issues. When it comes to education, 18% of households took decisions on account of a lack of income, such as halting payments to or pulling pupils out of educational institutions, or moving pupils to a cheaper school or college. Finally, the lack of income provoked by the pandemic has affected households' ability to meet basic needs such as food: 55% of households have reduced their spend on food and 19% are suffering moderate to severe food insecurity.

The accumulation of all these effects on households suggests that the coronavirus pandemic will not only perpetuate existing inequalities but will likely also entrench them in the medium term.

The survey also shows how the socioeconomic impact interacts with serious gender inequalities. According to the data, men and women lost their jobs during the crisis at more or less the same rate (around 30%) but women are not returning to the labour market at the same pace as men. This can be observed in all age groups and at almost all socioeconomic levels. Of those who have lost their job since the beginning of the pandemic, 62% of men are already working in a different job (7.7%) or are looking for one (54.7%). The same is true for only 41.4% of women: 5.9% have a new job and 35.5% are looking for one.

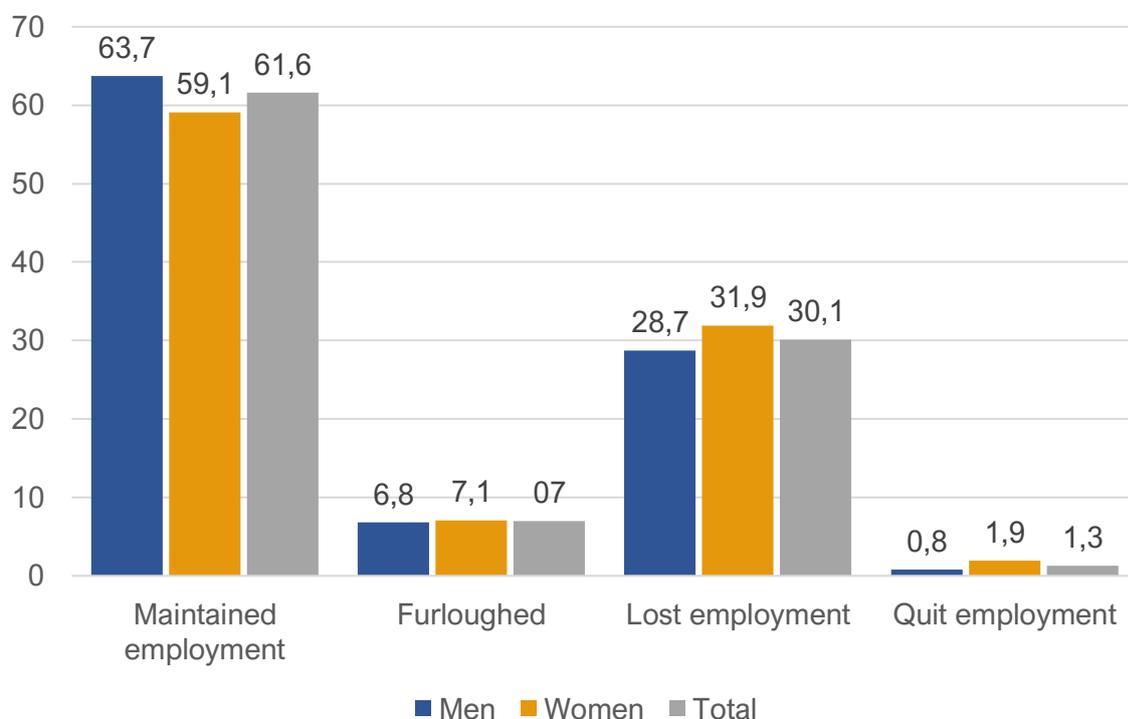
There are multiple possible reasons for this, including the fact that some of the sectors most affected by the pandemic have a relatively high proportion of women workers, but the data suggests that the unequal distribution of domestic chores, including care work, is at the heart of the asymmetry.



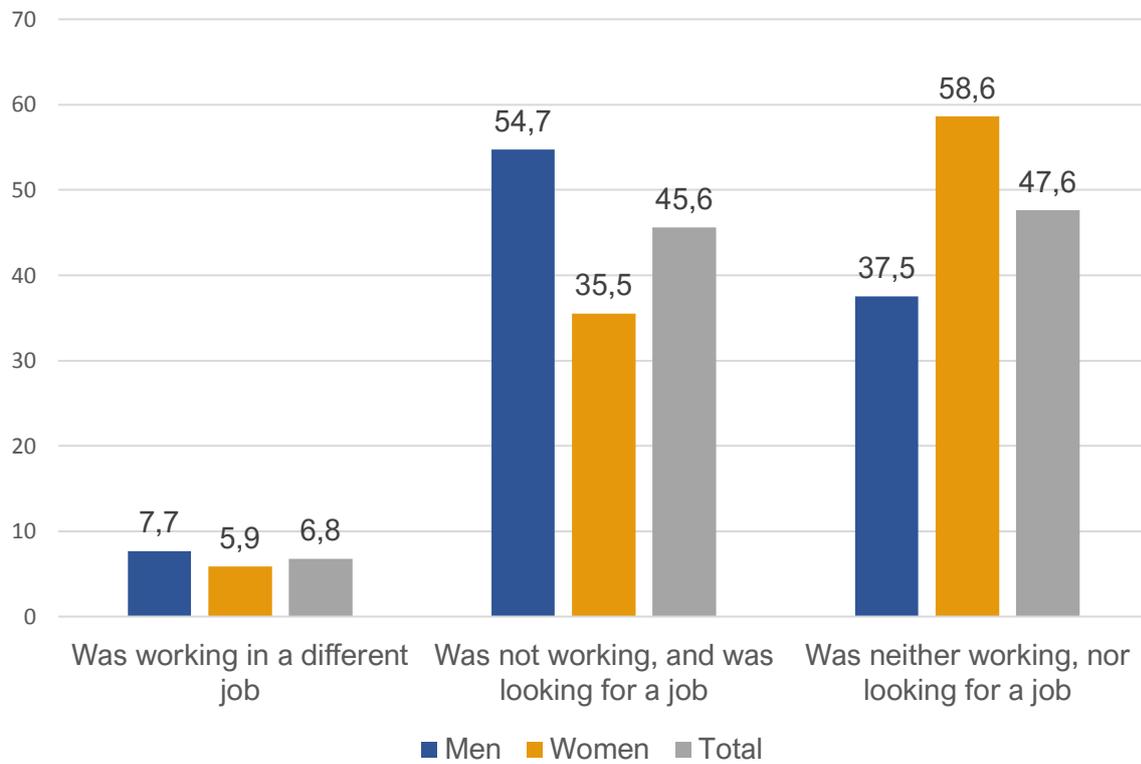
It remains to be seen which of these are temporary and which are permanent effects. It is to be hoped that, in the event that economic activity recovers, an important number of households will find themselves in a better socioeconomic situation. However, this data already shows that there will be groups of the population for whom recovery will be more difficult.

The results highlight three issues that need to be monitored in the months to come: (i) the effects of the crisis on Chile's level of human development; (ii) its effects on the progress of Chile's 2030 Agenda and its Sustainable Development Goals; and (iii) the specific impact on women and households that include children and teenagers

Changes in the employment situation of those who were employed before the pandemic



Employment situation on the week prior to the survey, among those who lost or quit their job during the pandemic



COVID-19 Social Survey technical specifications

Organising body	Ministry of Social Development and Family (MSDF) and United Nations Development Programme (UNDP)
Executive body	National Statistics Institute (NSI) (sample design, fieldwork, sampling error calculations, estimation of expansion factors)
Target population	Households in occupied private homes, and the people who live in them
Units of analysis	Individuals and households
Coverage	The study's geographical coverage is national. However, difficult to access areas, and blocks with fewer than 7 homes are excluded
Units of analysis achieved	Home units: 4,387 Households: 4,426 People in households: 13,648
Actual sample size relative to desired sample size	82.3%
Sample framework	Households in the list of homes successfully surveyed in the National Employment Survey (NES) in 2017 and 2018
Sample design	Two-phase design in which the first phase was obtained via the NES household survey, whose sample design is probabilistic, stratified and two-stage.
Representativeness	National and macrozone. Northern Macrozone (Arica and Parinacota, Tarapacá, Antofagasta, Atacama, Coquimbo). Central Macrozone (Valparaíso, O'Higgins, Maule). Southern Macrozone (Ñuble, Biobío, Araucanía, Los Ríos, Los Lagos). Far South Macrozone (Aysén and Magallanes). Metropolitan Macrozone (Santiago Metropolitan Region).

Sample error	<p>At the national level, the anticipated absolute errors for the simulated variable with prevalence of 20%, 30% and 50% are 1.6%, 1.8%, and 2.0%, respectively. The expected relative error does not exceed 7.9%.</p> <p>At the macrozone level, the anticipated absolute errors are between 3.6% and 4.7%; and the anticipated relative errors are between 7.9% and 21.7%.</p>
Fieldwork dates	From June 24 to August 7.
Survey method	Phone interview
Average time per survey	20 minutes
Informant	Individuals 18 years or older, who are members of the selected household.
Other	Participation was voluntary