

G²LM|LIC Synthesis Paper No. 12 | May 2021

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ABSTRACT

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This synthesis report provides a summary on the impacts of COVID-19 pandemic on different aspects related to labour markets in low- and middle-income countries, with a particular focus on the differential effect on the two genders. The report also discusses the policy actions taken by developing countries to mitigate the negative effects of the pandemic.

JEL Classification:

E00, I15, I18, J20

Keywords:

COVID-19, gender, labour markets, policy actions

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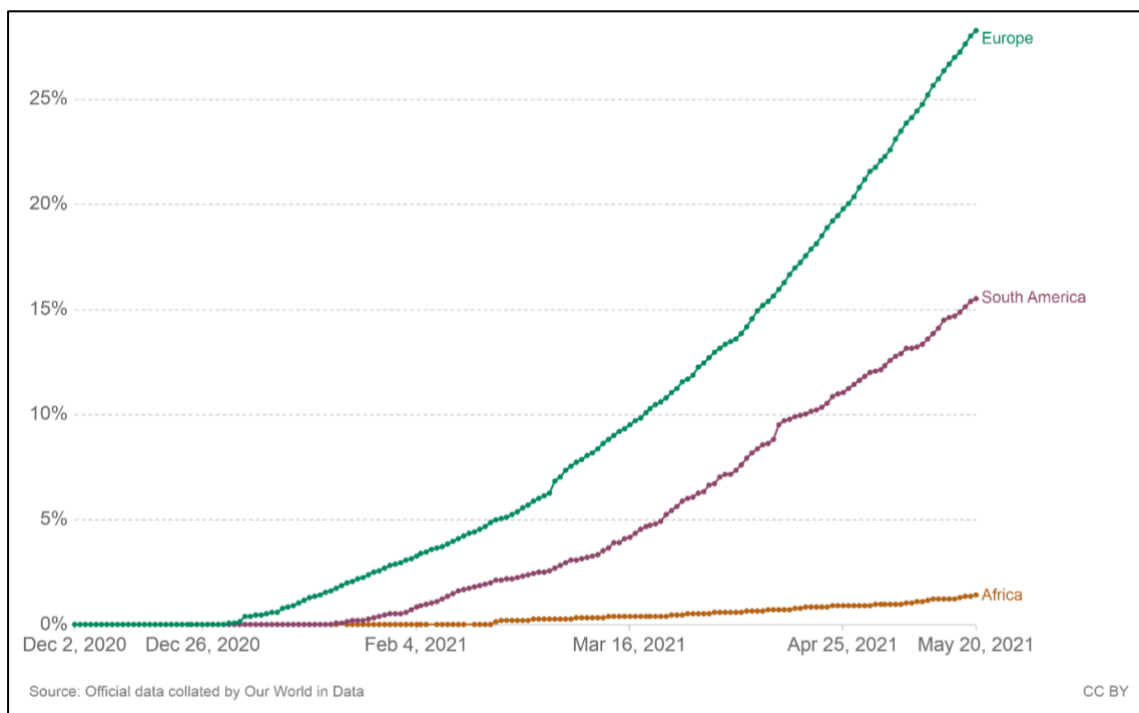
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* We gratefully acknowledge research assistance by Lionel Muñoz Rosas, Saheel Chodavadia, and Lixing Wang and comments received by Raka Datta and Viola Hartmann on earlier drafts of the report.

1. Introduction

The COVID-19 pandemic has caused great distress and unmeasurable human losses across the world. Through increased vaccinations and an improved knowledge of the behaviour of the virus, the pandemic has started to reveal its limits and possible end. However, the rate at which people are brought closer to a pre-pandemic normality diverges greatly across the world. Vaccination numbers from Our World in Data (Mathieu et al. 2021) up till May 20, 2021 show that about 30 percent of people in Europe had received at least one shot of a COVID-19 vaccine, while on the same date this number came up to about 15 percent in South America and only 1.5 percent in Africa (Figure 1). This shows the extent of inequality in the capacity to fight the pandemic across regions and suggests differences in the extent and the potential length of economic and social consequences of the pandemic.

Figure 1: Share of people who received at least one dose of COVID-19 Vaccine



Source: (Mathieu et al. 2021) accessed on May 20, 2021, <https://ourworldindata.org/covid-deaths>.

The negative impacts of the pandemic on labour markets have been so far unequal between developing and advanced countries. The latest “COVID-19 and the world of work” report by the International Labour Organization (ILO 2021) documents that the worldwide working-hours and labour income contracted by 8.8 and 8.3 percent respectively when compared to 2019 statistics. The report shows that the contraction was greatest in low- and middle-income countries (LMICs), where working hour losses came up to 11.3 percent and labour income losses to 12.3 percent.

Adversities make the differences more obvious. While women had historically been disadvantaged in various sections of the society, COVID-19 has only exacerbated the problem. Women in the LMICs are particularly more affected. While female labour force participation (FLFP) has been improving over the last decades across the world, and particularly in developing countries (Verick 2014; ILO 2018b), the pandemic seems to be putting this positive trend at risk. According to ILO estimates (ILO 2021), there were unprecedented global employment losses in 2020 of 114 million jobs relative to 2019 and women suffered a greater loss compared to men. Social norms that usually limit women’s freedom to join the labour market play a big role in explaining the negative outcomes. In developing countries, women have lower bargaining power. The prevailing norms of the society attribute childcare and household chores disproportionately to women. This aggravates the risk of women leaving the labour force in general and more particularly, in a situation as dire as the pandemic (BRAC 2020). Moreover, FLFP is concentrated in the service sector, which has been adversely affected by the pandemic. In cases where services continue to operate, risk of infections is much greater due to constant human interactions (OECD 2020; Dang & Nguyen, 2021). This implies that women are confronted with harsher conditions in current times compared to their male counterparts. The increase in family

isolation, unemployment, and economic stress have also resulted in an increase in intra-household violence mostly against women (Leslie & Wilson 2020; Ravindran & Shah 2020; Mahmud & Riley 2021).

Governments across the world have tried to respond to the crisis by implementing different types of measures. These included social-distancing and general lockdowns which aimed at limiting the mobility of people, curbed social interactions, and promoted the possibility to work from home. However, unlike in advanced countries, where these policies went hand in hand with social support packages including cash transfers and subsidies, the effectiveness of stringent confinement policies and their socio-economic consequences are largely questioned in the context of LMICs (Bargain & Aminjonov 2020; Barnett-Howell, Watson & Mobarak 2021; Brown, Ravallion & Van de Walle 2020). One of the central concerns in the context of developing countries, besides other burning issues such as fragile healthcare systems, is that a large share of the population is employed in the informal sector and is reliant on daily hands-on labour income, which is hardly attainable under strict self-isolation requirements (Bargain & Aminjonov 2020; Robalino 2020). Another concern is the limited ability of most workers in developing countries to work from home due to lack of sufficient technological infrastructure. Gottlieb et al. (2021a) document that only less than 10 percent of workers in urban areas of developing countries are able to work from home, compared to around 40 percent in high-income countries. These constraints put the governments of developing countries in a compelling position. In the light of limited resources and poor infrastructure, the government compromises in the direction of containing the spread of the pandemic while keeping the living conditions of individuals unaffected.

This report summarizes the current situation with regard to the COVID-19 pandemic and its consequences on labour markets in developing countries with

particular focus on gender inequalities. The report also discusses different policies taken by developing countries in response to the pandemic. While it is still early to evaluate the effectiveness of these policies given the short-term nature and the speed at which situations and policies are constantly adapting to the evolving circumstances, combined with a lack of availability of data across developing countries, the report provides insights from the little, yet growing, literature on the topic.

The rest of the report is organized as follows: The next section deals with general effects of COVID-19 on the labour markets of developing countries. Section 3 addresses the gendered effects of the pandemic by addressing how women in developing countries were particularly affected. Section 4 discusses government policies undertaken in developing countries to confront the socioeconomic effects of the pandemic. Finally, Section 5 provides concluding remarks.

2. General Overview of the Effects of COVID-19 on Developing Countries

The impact of the pandemic on LMICs has been pronounced, and its short-term effects and long-term implications can diverge greatly from those in developed countries. Though great progress has been achieved in the past decades in reducing poverty across poorer countries, the COVID-19 crisis can reverse the current trend of poverty eradication. In developing countries, the welfare of households is expected to be severely endangered by the pandemic: rising food prices, loss of employment, and income drops put severe pressures on already fragile households. In Uganda, for example, a study by Younger et al. (2020) warns that the income losses from the COVID-19 crisis can erase poverty gains achieved over the past 10 years. Another survey from Tunisia shows that a third of the respondents feared being unable to afford food during the pandemic (Kokas et al. 2020). The most direct economic

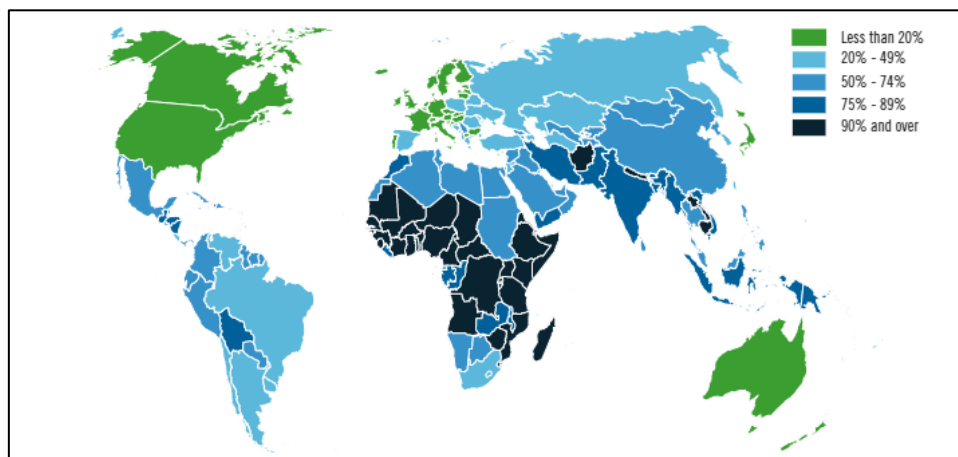
consequences of the pandemic and lockdown measures are loss of employment and significant drop in income. According to a survey from India (Augsburg, Armand & Bancalari 2020), during its first lockdown period, 41% of households had at least one member who had lost a job or income sources due to the crisis, while 56% of households experienced a fall in their household income when compared to the period before the crisis.

Why are people in developing countries especially susceptible to the pandemic? The reasons can come from many aspects of the economy and the society. *Firstly*, governments in developing countries are generally less efficient in dealing with the economic disruption caused by the pandemic. In an economic downturn which causes mass unemployment, social insurance is essential for households who experience a sudden loss of income. However, the social security systems in developing countries are far from universal and the emergent social assistance provided by governments is meagre compared to what it is offered by governments in advanced countries. Although emergent social insurance schemes had been launched by most governments soon after the start of the outbreak, the implementation has often been inadequate and delayed. In South Africa, for example, even though the government responded to the economic crisis by launching an emergency social insurance scheme — the Temporary Employee/Employer Relief Scheme (TERS) — only 20% of workers who moved from being actively employed in February 2020 into paid leave or temporary unemployment in April received pay-outs from this program (Jain et al. 2020).

Secondly, a large share of the population in poor countries works in the informal sector and relies heavily on daily hands-on labour income. Workers in informal sectors often work without any written contract or agreement, which makes them

predominantly uncovered by emergent labour market policies and social insurance schemes if they are laid off during the crisis. According to the International Labour Organization (ILO 2018a), more than 70 percent of the developing countries' employed population earned their livelihoods in the informal economy. Figure 2 highlights that the proportion of informal employment varies across different regions. The share of informal workers is high in Africa (85.8 percent), Asia and the Pacific (68.2 percent) and the Arab States (68.6 percent). In contrast, developed regions like North America and Europe have much lower shares of informal work.

Figure 2. Share of Informal employment across the world



Note: This figure shows the share of informal employment including the agriculture sector relative to total employment. Source: ILO (2018a), Fig.5, p.13.

The third aspect is related to issues concerning the virus containment. At the beginning of the crisis, many developing countries adopted strict lockdown measures which, from the beginning, could have potentially led to severe labour market disruptions. Taking Vietnam as an example, on March 31st 2020, the government announced a 15-day nationwide lockdown, which required residents to stay at home and were allowed to go out only for “essential needs”. Although these measures were essential for containing the virus, the economic cost of such strict lockdown measures

were substantial. According to the Vietnamese government, Vietnam's economic growth slowed down in 2020 to its lowest (2.91%) in at least three decades. As Vietnam relies heavily on tourism and international trade with China, shutting down the borders and closing the transport corridors were estimated to result in massive losses (of about \$750 million). According to Morisset (2020), declining tourism activities due to the lockdown measures led to a monthly loss of up to \$1.6 billion in Vietnam considering the multiplier effect. In Kenya, a report by Janssens et al. (2021) shows that household income in rural areas decreased sharply by up to one-third in the five weeks after the first preventive measures were implemented. It appears that due to their reduced income and the complementary measures, households had to reduce their expenditure on schooling and transportation in order to be able to afford the expenditure on food items in the short-term. Strict lockdowns are thus related to harsh economic consequences at the household and state level in developing countries, especially when considering and thinking about the long-term effects.

Importantly, the living conditions in most of low-income countries make it hard to prevent the spread of the virus and to simultaneously limit the economic cost of lockdown measures. There are particular concerns that people in low-income countries, especially those at the lower end of socio-economic background, are more vulnerable to contracting the disease because their living conditions or jobs make them more susceptible to meeting others and limiting their ability of social distancing. These groups usually also suffer from a lack of adequate access to health insurance, overcrowded living conditions, and low access to public facilities at home, which makes them prone to getting infected (Kokas et al. 2020). Furthermore, the overcrowded conditions are worsened by the reliance on shared facilities outside of home for basic needs, making it impossible for local residents to comply with the stay-

at-home measures, especially in slums and dwellings in metropolises of the global south (Sahasranaman & Jensen 2021). This is the case even in developed countries like England. An analysis carried out by Inside Housing in May 2020 (Inside Housing Insight 2020) found a positive correlation between the level of overcrowding within local geographic units in England and COVID-19 death rates.

Misinformation can be a problem too. Fake news and false claims about ways to prevent COVID-19 are widespread in developing countries. Amid the pandemic, misinformation about virus protection severely biases not only the individual attitude toward self-protection, but also the individual economic behaviour. In a survey conducted in Sub-Saharan Africa, Osuagwu et al. (2021) found that 27.8 percent of respondents thought that drinking hot water flushes down the virus, followed by 22.2 percent who thought that the ability to hold the breath for 10 seconds meant there was no COVID-19 infection; about one-fifth (19.3 percent) of respondents believed that COVID-19 was designed to reduce the world population and 13.9 percent agreed that COVID-19 was less effective on Black than White individuals. In India, the spread of rumours about poultry being a source of COVID-19 on social media heavily affected consumption of poultry meat. Sales and prices of poultry products dropped massively, negatively influencing millions of workers in the poultry sector, and forcing a large share of small poultry farms to go out of business and leaving millions working in the sector unemployed. The loss to the industry was estimated to be around USD 3053 million (Kolluri, Tyagi & Sasidhar 2021).

Fourth, even though it soon became the norm in developed countries to implement work-from-home measures for jobs that could be done remotely, working from home is not a choice for a large share of workers in low-income countries. By analysing data from ten developing countries, a study by Gottlieb et al. (2021a) finds that fewer than

10% of urban jobs could be done remotely in these countries compared to 40% in developed countries. Working from home is a privilege for those workers with higher education, with a place at home to work from, and with reliable hardware, software and stable access to the internet. Often, these individuals are more likely to work in non-essential sectors with formal working contracts (Gottlieb et al. 2021b). Thus, the negative impact on employment due to the pandemic can be even more severe for the poor individuals who live in less developed regions, as they are disadvantaged at almost all the levels of prerequisites to facilitate working from home.

Although mobility restrictions are effective in preventing the transmission of the disease, it also poses a great impact on workers who work far away from their family. According to the UN Department of Economic and Social Affairs (UN DESA 2019), an estimated 272 million people live outside their country of birth, of which 192 million come from regions classified as 'less developed'. For this group of workers, their livelihoods are heavily reliant on cross-state mobility. The sudden closure of borders and the ban on intercity transportations prohibited these workers from coming back to their workplaces or forced them to go back home, which led to direct wage losses, and even amplified the spread of the virus while moving from one place to another. A study by Lee et. al (2021) investigated the relationship between migrant movements and the spread of COVID-19 using district-day-level data from Bangladesh, India, and Pakistan. The study shows that during the initial stage of the pandemic, an increase in international out-migration is associated with an increase in the number of cases per capita in India and Pakistan.

The high vulnerability of developing countries during the pandemic can lead to disastrous consequences. Probably the most disturbing result of the pandemic among less developed countries is that the trend in poverty eradication might be reversed. In

2020, The United Nations World Food Programme warned of devastating famines — 265 million people in LMICs were projected to suffer from acute hunger by the end of that year. According to a study by the World Bank (Gerszon et al. 2020), the pandemic will result in the first increase in extreme poverty to take place in the last 20 years and will thus push approximately 71 to 100 million people into extreme poverty. Further, Parekh and Bandiera (2020) argue that this number can go up much more if the difference in scales of social assistance policies implemented by different countries is taken into account. The less widespread social assistance programmes in one country are, the higher the likelihood that more individuals are pushed into poverty. In particular, once the generosity of social assistance in each country is considered, the group of people who are most affected by the pandemic constitutes 39 percent of the total population and 45 percent of the world's poor. Another possible consequence of the pandemic is greater inequality. As is widely acknowledged, the effect of the pandemic is largely biased against the poor. A survey (Bottan, Hoffmann & Vera-Cossio 2020) in Latin American and Caribbean countries finds that 59 percent of respondents report that a household member closed their business during the pandemic. Among households with the lowest income prior to the pandemic, the number goes up to 71 percent. Given that inequality is already substantial in some developing countries, the pandemic can make things even worse.

3. The Effects of COVID-19 on Female Workers in Developing Countries

The negative impacts of COVID-19 on employment and income are more pronounced for women than men. As argued by Alon et al. (2020), the pandemic differs from typical economic recessions as it strongly affects sectors with high shares of female employment. The gendered effect of the pandemic on employment and income is

widely supported by evidence. The findings of the UN Women survey in Bangladesh (2020a) show that during the pandemic many women have lost their jobs, or their working hours were reduced (83 percent of formal employees, 49 percent of informal employees). Foucault and Galasso (2020) find that women are more likely to stop working compared to men during the pandemic in various advanced countries such as Austria, Canada, Germany, Italy, Poland and Sweden. This pattern also applies to developing countries. Data from Egypt (Caria et al. 2021) shows that from March to September 2020, the female unemployment rate soared to 16.2 percent with little recovery afterwards, suggesting that at least 0.8 million female workers had lost their ability or willingness to look for a job during the pandemic. Figures for Egyptian male workers are slightly better, with unemployment rate declining from 8.5 percent to 5.8 percent, with large numbers of male workers who left their jobs in the second quarter of the year re-entering the labour market in the third quarter of 2020. Similarly, an early study in India finds that women were more likely to lose their jobs or to work fewer hours during the lockdowns of April and May 2020 than their male counterparts (Deshpande 2020a). According to this study, conditional on being employed in pre-lockdown times, women were roughly 20 percentage points less likely to be employed in April 2020 than men who were employed prior to the lockdown. A study from South Africa (Jain et al. 2020) finds that, by April 2020, employment had fallen substantially for women and men: only 36 percent of women were employed compared to 54 percent of men. Comparing this to the pre-crisis level (46 percent vs. 59 percent of all adults aged 18 and older), employment fell by approximately 1.9 million jobs or 22 percent for women, and by just under a million jobs or 10 percent for men. The loss of income was severe too. The share of the employed individuals who reported zero earnings rose from 7 percent to 13 percent in the case of women and from 4 percent

to 12 percent for men between February and April 2020 (Jain et al. 2020). Furthermore, in a survey on female microenterprise owners in the Kenyan slum of Dandora (Brooks et al. 2020), it is found that during 2020, average profits of these micro businesses went up to about 2 USD per day in January, but fell to about 1 USD per day by May following the emergence of COVID-19 cases and subsequent government lockdowns in Kenya, which began in March 2020.

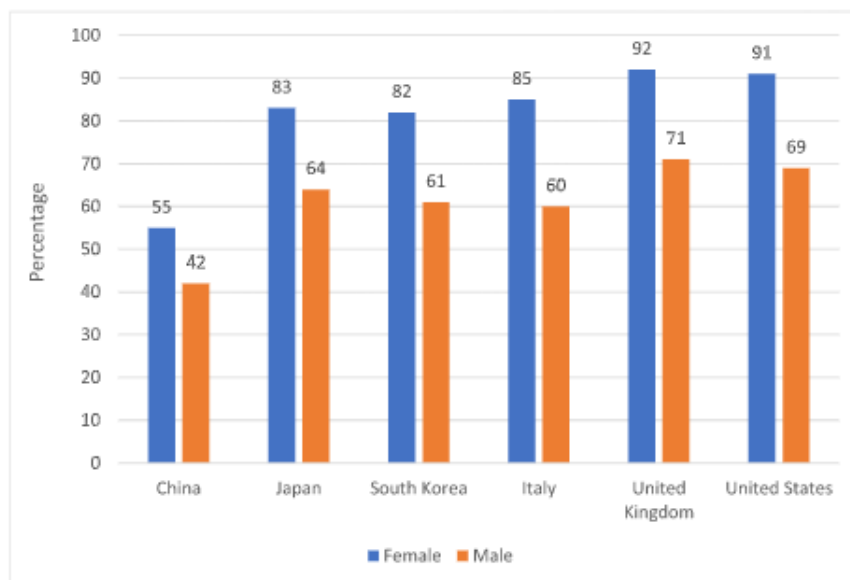
The negative effect is expected to last for longer periods of time. Using historical time series in West Africa and South Asia, a study by Mohapatra (2020) predicts that the loss of employment for women will be more than double of that of men within 5 years after the COVID-19 shock, while male employment losses are found to be much more transient. Though being hurt disproportionately during the outbreak, female workers did not see a comparable rebound during the recovery. The data from the US finds that even though women have been responsible for a greater share of the job gains that have occurred since mid-May of 2020, they still remain behind men in terms of reaching their pre-COVID levels of employment. In South Africa (Casale & Shepherd 2021), although women may have gained slightly more in terms of employment and income relative to men during the re-opening period, they still remained well behind men in reaching their pre-COVID employment levels in June given the very large job losses they suffered between February and April 2020.

Why are the effects gendered?

Why are women more vulnerable to the pandemic? *First*, women are more concentrated in the service and other frontline sectors than men. Figure 5 shows the share of male and female workers in the services sector across several countries and clearly highlights significantly larger share of women in these occupations. Since the service sector has been more affected by COVID-19 than other sectors (OECD 2020),

this could represent one factor for the increased effect on women’s labour. According to the Work Opportunities for Women Programme (WOW 2020), 40 percent of all employed women around the world (almost 510 million) work in hard-hit sectors by the pandemic compared to 36.6 percent of employed men. Additionally, the nature of the employment in these sectors not only makes women more likely to lose income and employment during the pandemic, but also makes them more prone to get infected. Data from the UK (WOW 2020) shows that women, representing more than 70 percent of those employed in health and social work sectors, form the bulk of frontline workers who face the direct risks of exposing themselves to the virus. Further strengthening the evidence, Dang and Nguyen (2021) show that women are more affected than men in countries with a higher COVID-19 infection rate. According to their estimates, a one unit increase in COVID-19 case rate (per 1,000 people) will increase women’s probability of losing job permanently by about 0.3 percent.

Figure 5. Percentage of employment in services over the total employment



Note: The figure shows that women are more concentrated in the service sector, which has proven to be more susceptible to the COVID crisis. Source: Dang and Nguyen 2021, Fig. A6, p.6

Secondly, women in developing countries are more concentrated in the informal sector than men. According to the “Progress of the world’s women 2015–2016 report” (UN Women 2016), over 80 percent of women in non-agricultural jobs in South Africa are informally employed; in sub-Saharan Africa, 74 percent; and in Latin America and the Caribbean, 54 percent. In particular, as women in the informal sector often work as street vendors, domestic workers, subsistence farmers and seasonal agriculture workers, the lockdown measures and the economic impact of COVID-19 on the supply chain has the capacity to substantially impact their income and employment. The gendered effect is more evident in rural area as compared to the urban areas because informal work is more prevalent there. Kesar et al. (2021) based on phone survey data in India find that women, especially those in rural areas, were more likely to lose employment compared to men from February to May 2020. Rural women’s employment suffered the largest fall: as low as 57 percent of the previous year’s average. This ratio was 73 percent for rural men, 69 percent for urban women and 67 percent for urban men. Similarly, Deshpande (2020b) finds that rural occupations in India witnessed the sharpest drop in income between December 2019 and April 2020. The within-group heterogeneity of the impact of the COVID-19 crisis on female workers is also noteworthy. As explained in the previous section, the impact of the pandemic is unequal in many dimensions. This heterogeneity also holds within female worker groups. Jain et al. (2020) find that less-educated women, those in manual occupations, informal workers, and the poor, face the greatest net employment losses.

Thirdly, housework and childcare are disproportionately allocated to women, and particularly in many developing countries. ILO calculates that on average women around the world perform 4 hours and 25 minutes of unpaid care work every day compared with 1 hour and 23 minutes for men (Pozzan & Cattaneo 2020). The closure

of schools and childcare facilities has raised the childcare burden within households substantially, with few options available for outsourcing care during lockdowns. Given that women were more likely to care for children prior to the pandemic, the concern has been that they will bear the burden of this additional unpaid care work, further limiting their ability to engage in paid work, or to work as many hours as before. In this sense, BRAC (2020) underwent a phone survey in April 2020 in different countries in Africa and Asia in which the organization works in (namely, Afghanistan, Nepal, Myanmar, Tanzania, Uganda, Sierra Leone, Liberia and Rwanda). In this survey, BRAC finds that about 55 percent of surveyed women faced additional domestic work stress and 58 percent reported increased unpaid care work, about 89 percent of women in this survey conveyed not to have any leisure time from the beginning of the pandemic.

Women's increase in time spent on childcare and housework is evident in many time use surveys from developing countries. During the pandemic, 53 percent of mothers in Egypt reported no change in the amount of time spent on childcare in a normal week between February and December 2020, while 40 percent reported spending more time than usual and only 3 percent reported spending less time (Caria et al. 2021). In Kenya (Miguel & Walker 2021), women reported almost double the childcare hours (from 16 to 30 hours per week) during lockdown when compared to the 2017-2019 averages. Here, though men also report roughly twice as many childcare hours relative to earlier survey averages, the effect is more significant for women given that they worked much more on childcare duties than men before the COVID-19 crisis (Miguel & Walker 2021).

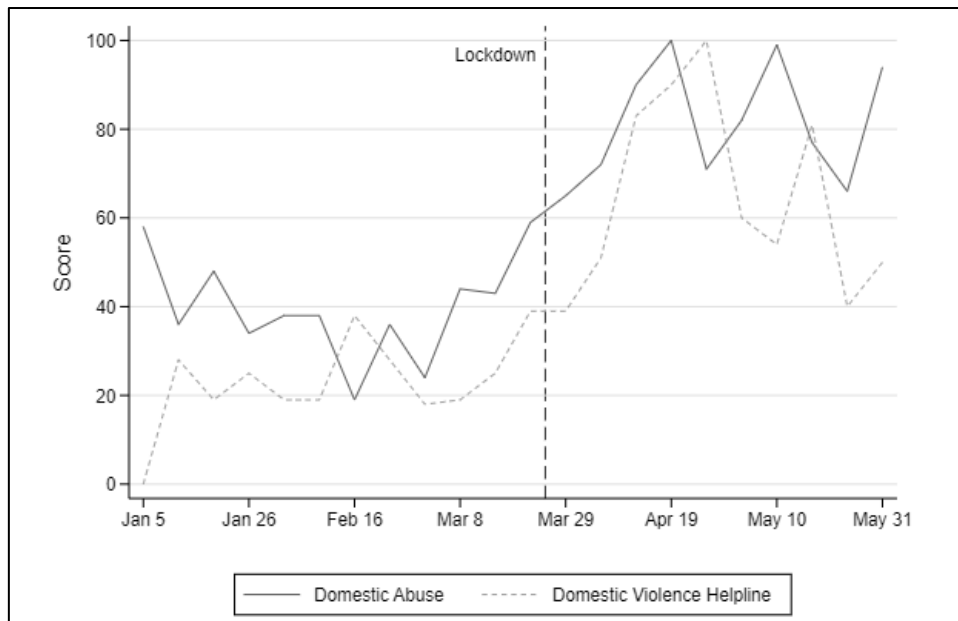
Similar to the case of reduced income and loss of employment, the impact of the pandemic on childcare and housework burden seems to persist for women even after

the re-opening of schools and childcare services. Mosomi, Thornton & Branson (2020) document that men in South Africa benefited more from the reopening of education and childcare institutions in June 2020 than women. The hours men reported spending on childcare in June fell by more than the hours women reported spending on childcare compared to April. The authors also find that much higher numbers of women than men found childcare to affect their ability to work, to work the same hours as before the lockdown, and to search for work. In India, similarly, it was reported that as men spent more time on housework during April 2020, by August the average male hours had declined, though not to the pre-pandemic levels (Deshpande 2020b).

Increased domestic violence against females and mental health

During the pandemic, an increase of domestic violence and in particular violence against women and girls is highlighted in many media and institutional reports (e.g. Taub 2020). The UN Women (2020b) calls the domestic violence the “Shadow Pandemic” to underline its prevalence and severity. Indeed, as the pandemic causes economic insecurity and emotional distress, women and children who represent already the most vulnerable group, are more likely to face worsened risk of domestic violence. Mahmud and Rile (2021) find that in rural Uganda, there is an increase in the likelihood of a major argument between spouses and the perceived frequency of intimate partner violence against women has increased. Another study (Ravindran & Shah 2020) also finds that in India, domestic violence complaints increased significantly in districts with the strictest lockdown rules and this effect is persistent even when the lockdown measure was relaxed. In Mexico, a study by Silverio-Murillo, Balmori de la Miyar & Hoehn-Velasco (2020) finds that call-centre services receive more calls of intimate partner violence asking for psychological services during the pandemic.

Figure 6. Google Searches in India for Domestic Violence-Related Terms in 2020



Note: The data is from Google Trends assessed in June 6, 2020. The scores represent search interest relative to the highest point on the chart for India on the given date for each search term. A value of 100 is the peak popularity for the search term. The figure shows that the search with keywords “Domestic Abuse” and “Domestic Violence Helpline” surges after the lockdown measures took into effect. Source: Ravindran and Shah, (2020)

As pointed out by Peterman et. al (2020), the quarantines and social isolation, combined with economic insecurity can also raise issues with mental health. By measuring the depression using Patient Health Questionnaire (PHQ), Mahmud and Riley (2021) find that 53% of the respondents are mild to moderately depressed, while 2% are severely depressed in rural Uganda. In India, evidence shows that women report 0.06 standard deviations greater mental stress compared to men (Afridi et al. 2021). Here, the most likely related reasons for women’s stress appear to be anxiety and nervousness, followed by depression, health worries and sleeplessness. Afridi, Dhillon & Roy (2021) also find that social networks appear to mitigate stress levels for husbands but exacerbate the same for wives. All in all, it appears that the pandemic and related hardships have had a more detrimental effect on the psychological health

of women than that of men.

4. Public Policy Response to the Pandemic

The response to the pandemic in developing countries has been varied. Policies and measures undertaken have intended to slow down the spread of the disease by shutting down schools, implementing mandatory quarantines, imposing lockdowns in cities, and the closure of borders, etc. Indeed, several countries achieved slower rises in cases of infection at the early stages of the pandemic as an outcome of these policies (Li et al. 2021). However, the effectiveness of these measures has come at a cost, as strict measures have had a direct economic consequence to the livelihoods of many in these countries (ILO 2021; Egger et al. 2021). Even though low- and middle-income countries may suffer from similar types of hardships and comparable government response constrains, specific policies taken differed massively from one country to another and even from one region to another within the same country. In this section, we show differences in policy responses across developing countries using data from the Coronavirus Government Response Tracker (OxCGRT), published and managed by researchers at the Blavatnik School of Government at the University of Oxford (Hale et al. 2021).² The tracker presents data collected from public sources on 17 indicators of government responses, spanning containment and closure policies (such as school closures and restrictions in movement); economic policies; and health system policies (such as testing regimes).

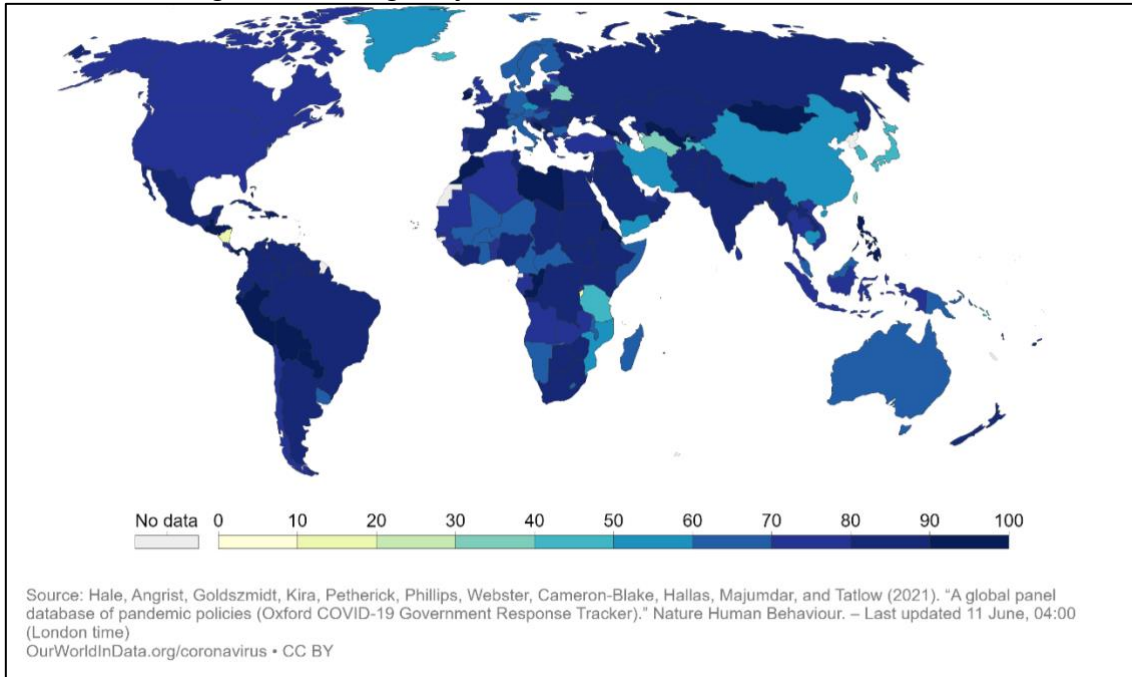
The project calculates a Government Stringency Index, which is a composite measure of different response metrics including school and workplace closures, cancellation of public events, restrictions on public gatherings, closures of public

² For a complete set of maps and figures on the topic, see <https://ourworldindata.org/policy-responses-covid>.

transport, stay-at-home requirements, public information campaigns, restrictions on internal movements, and international travel controls. The index on any given day is calculated as the mean score of these metrics, each taking a value between 0 and 100 (Hale et al. 2020) with the higher score indicates a stricter government response (i.e. 100 = strictest response). A higher score does not necessarily mean that a country's response is 'better' than others lower on the index. Figure 7 shows the variation at the stringency level across countries. The figure shows that most countries have stringent policies to contain the spread of COVID-19. However, it's important to note that this index simply records the strictness of government policies. It does not measure or imply the appropriateness or effectiveness of a country's response.

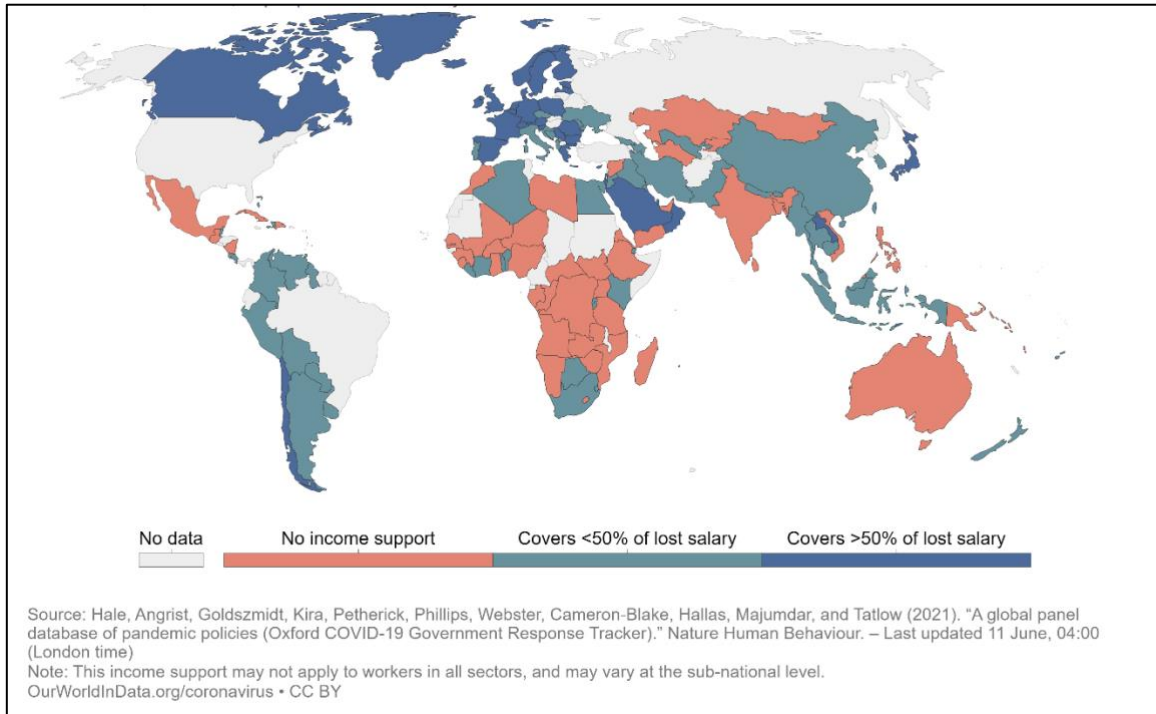
The governments of developing countries, however, are rather limited in their ability to provide an adequate income support to workers during the COVID-19 pandemic. Figure 8 clearly shows that most of sub-Saharan African countries have not provided any form of income support to workers. In Latin America, parts of Asia and North Africa, there was income support, however the levels were low and covered less than 50 percent of worker's pre-COVID income. Most advanced countries had a support scheme which covered more than 50% of the income lost. This suggests difference in the fiscal ability between advanced and developing countries in dealing with economic consequences of the burden.

Figure 7: Stringency Index of COVID-19 Public Policies



Source: Our World in Data, accessed on May 20, 2021, <https://ourworldindata.org/covid-stringency-index>

Figure 8: Income support during COVID-19 Pandemic



Source: Our World in Data, accessed on May 20, 2021, <https://ourworldindata.org/covid-income-support-debt-relief>

5. Concluding remarks

Although COVID-19 has started to reveal its limits and possible end by increased vaccinations and improved knowledge about the behaviour of the virus, the rate at which people are brought closer to a pre-pandemic normality is expected to diverge massively between advanced and developing countries. This suggests that the negative impacts of the pandemic on the already struggling economies of developing countries are expected to persist longer, putting pressures on labour markets and aggravating the levels of inequality in these countries.

This report discussed the effects of COVID-19 on the labour markets of developing countries and highlighted the literature documenting that the big progress that has been achieved over the past decades in reducing poverty in poorer countries, can be reversed due to the pandemic. The negative impacts of the pandemic on labour markets are unequal between developing and advanced countries, with the developing countries being more affected in terms of loss of employment and drop in income. This is mainly driven by the limited ability of the developing countries to provide social support, the large share of informal employment, and the balance and compromises the governments need to make to keep the economy running and maintain the livelihood of individuals on the one hand, while curbing the spread of the pandemic on the other hand through imposing strict lockdown measures which could have potentially led to severe labour market disruptions.

Women in developing countries are bearing most of the cost of the pandemic given their concentration in the service and other frontline sectors. These sectors have been affected the most by the pandemic and workers in these sectors are not only prone to losing employment and reduced income, but they also face higher risk of being infected. Women are also more likely to work in the informal sector without any written

contract or agreement, which makes them largely uncovered by emergent labour market policies and social insurance schemes if they are laid off during the crisis. Moreover, housework and childcare in developing countries are disproportionately allocated to women, and this increased during the lockdown which shut down schools and other day-care facilities, forcing many women to exit the labour market. The effect is not only limited to the economic realm but also to the social empowerment of women in developing countries that could be negatively affected by increased domestic violence, and disproportionate care and household responsibilities.

Policies and measures undertaken by governments worldwide have intended to slow down the spread of the pandemic. Both developing and advanced countries went through a different spectrum of measures of varying intensities. However, national fiscal and financial constraints limited the ability of most developing countries to provide adequate support and safety net to workers during the crisis. Moreover, the effective implementation of lockdown policies comes at a cost, as strict lockdowns could have a direct economic consequence to the livelihoods of many in these countries.

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