

Monitoring the impact of COVID-19 on poverty, inequality, and the profiles of the poor using Ethiopia's High-Frequency Phone Surveys

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Shortly after the outbreak of the COVID-19 pandemic, the World Bank launched the COVID-19 High-Frequency Phone Survey (HFPS) series around the world to understand how and who the pandemic was affecting. In Ethiopia, 12 rounds of the COVID-19 HFPS have been conducted since April 2020, the most recent in June 2021. Ethiopia's COVID-19 HFPS includes data on various topics like employment, access to markets, health conditions, access to school, coping mechanisms, and the coverage of social assistance. The seventh round of the Ethiopia COVID-19 HFPS, collected in October/November 2020, also adopted SWIFT (Survey of Well-being via Instant and Frequent Tracking), a poverty imputation technique engineered by machine learning, to produce poverty and inequality statistics, as well as profiles of the poor. This inclusion of the SWIFT module enriches the analysis of the impact of the COVID-19 pandemic.

The key findings are as follows. First, estimates show that poverty rates increased in urban and rural areas between the pre-pandemic period (2018/19) and October/November 2020. The rate of increase in poverty differs significantly between urban and rural areas. The poverty headcount rate in urban areas is 33.2 percent higher than in the pre-pandemic period (2019/20), while that of rural areas is 9.4 percent higher than in the pre-pandemic period.

Second, inequality measured by the Gini coefficient increased nearly two percentage points nationally – a substantial increase considering the Gini coefficient does not usually change much. The increase in the Gini coefficient at the national level is driven mainly by rural areas, where the Gini coefficient increased nearly three percentage points. On the other hand, the Gini coefficient in urban areas increased only 0.8 percentage points over the same period. The combined results from poverty and inequality estimates suggest that the COVID-19 pandemic impacted all income groups in urban areas while it affected the poor more severely in rural areas.

Third, as of October 2020, though the pandemic's impact on poverty and inequality remains significant, the impact on the employment status is limited. At the national level, nearly 90 percent of respondents worked in the last seven days. The employment rate is higher in rural areas, where 95 percent of respondents worked, than in urban areas, where 75 percent of respondents worked. Additionally, only 1.5 percent of respondents in rural areas reported job losses since the pre-pandemic period, compared to around 4.5 percent of respondents in urban areas. The poor's job loss rate is similar to the rural average.

Fourth, despite the limited impact on employment status, a significant percentage of respondents reported income losses since the pre-pandemic period. Nationally, 28.7 percent of respondents reported income losses since the pre-pandemic period. The numbers are almost identical in urban and rural areas. Interestingly, the share is slightly less among the poor – 25.5 percent.

Fifth, like in other countries in sub-Saharan Africa, access to social assistance is limited. Nationally, only

2.4 percent of households received support from any social assistance. The numbers do not change much between urban and rural areas. The coverage of social assistance among the poor is 4.4 percent, which is still limited but significantly higher than that of urban and rural areas.

Finally, although the analysis was not completed, the SWIFT module was included in the eleventh round of the Ethiopia COVID-19 HFPS, carried out from April to May 2021. The poverty estimation shows some reductions in urban and rural areas, but the urban and rural poverty rates are still 24 and 7.9 percent higher than in the pre-pandemic era.