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Monitoring COVID-19 Impacts on Households in Vietnam

Results snapshot from a High-Frequency Phone Survey of Households

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INTRODUCTION

COVID-19 has significantly affected many economies throughout the world, but there are some brighter signs in Vietnam. Declared as a epidemic in early February in Vietnam, effective health policies and early action have mitigated the impact of COVID-19 in Vietnam and the country has maintained low numbers of cumulative cases and deaths compared to other comparators. From mid-April to early May, the Vietnamese government implemented lockdown and social distancing measures at the national and provincial levels. At the end of Q2, the Vietnamese economy was proving to be resilient, with GDP expected to grow in 2020 while the GDP of most other ASEAN economies are expected to contract.

To monitor the social and economic effects on households amid the pandemic, the World Bank designed and conducted its COVID-19 High-Frequency Phone Surveys of Households in Vietnam. This monitoring data helps gather insights on household well-being as post-lockdown reopening unfolds, and to highlight the effects on the most vulnerable members of Vietnamese society. The first round of the Vietnam household high-frequency phone survey was conducted between June 5 to July 8, 2020. Over 6,000 households were contacted from all provinces in the country. This note provides a snapshot of results from the first of four rounds of high frequency surveys.

HIGHLIGHTS – ROUND 1

- ! About 70% of households experienced an episode of income reduction since February. Job loss was the most commonly cited reason, followed by reduced earnings in family businesses and disruptions to farming.
- ! Family farms more frequently report being negatively affected by natural disasters and disease, than by some COVID-19 related policies.
- ! Negative labor market impacts experienced since February were most likely mild. Among wage-working respondents who were working in February, 90 percent were back at the same job in May/June. Ninety-five percent of family businesses remained open, and 90 percent of family farms were operating normally. While most people are back to work, the magnitude of income loss was not captured in the first round, but will be monitored in the subsequent rounds.
- ! At the time of interview, about 1 in 10 households who applied for new COVID-19 relief had received it. Among applicants, the receipt of new COVID-19 relief was also relatively even across the income distribution, indicating that poor households were not necessarily prioritized in being granted relief.
- ! Households that are poor, ethnic minorities, or located in rural areas were less likely to apply for new COVID-19 relief as the government offered top-ups to existing SA programs. The magnitude of these top-ups will be explored in subsequent rounds.
- ! Women were more likely than men to reduce working hours or stop working entirely during school closures to care for children.
- ! A 2nd outbreak in Danang in August has raised uncertainty about the duration and impact of the pandemic. If the pandemic lingers, household coping strategies and the ability of businesses to remain open may become strained.

BEHAVIOR IN RESPONSE TO COVID-19

Part of the success of containment of COVID-19 in Vietnam lies in behavior and compliance with social distancing policies. Respondents in both rural and urban areas understood it was important to stay home and avoid gatherings, demonstrating a strong adherence with actions to reduce the transmission of coronavirus. Most respondents did not attend gatherings of over 10 people (71%) within the last seven days of their interview date. Most households canceled travel plans. Compliance with these behaviors was consistent across rural and urban populations in Vietnam.

Males were more likely than females to attend large gatherings, and females were more likely than males to visit markets and acquire food supplies. Ethnic minorities and the Bottom 40[1] were the most concerned about food security, which may reflect financial uncertainty and a general inability to stock up on food. This is potentially driven by lower levels of savings to cope or geographic remoteness.

Table 1. Behaviors and worries (% of households)

	In the last 7 days		Since the first week of March		In the last 30 days
	Did not attend any gatherings with more than 10 people[a]	Went to the market one time or less	Cancelled travel plans[b]	Stocked up on more food than usual	Worried about having enough food to eat
All	71.4	51.7	76.4	31.4	33.2
Urban	70.3	46.0	78.2	34.1	25.1
Rural	72.0	54.7	75.4	29.9	37.5
Top 60	69.7	49.3	78.5	32.2	25.6
Bottom 40	74.0	55.6	72.5	30.1	45.2
Kinh majority	71.3	49.9	78.6	32.4	29.9
Ethnic minority	71.6	61.8	63.6	25.6	51.7

Notes: (a) People not in the household; (b) Among those with existing travel plans. About a quarter of the respondents had existing travel plans.

HEALTH

Health services were largely accessible. Nearly all respondents (96%) reported that they or a household member were able to access medical treatment if needed. Likewise, most households with a child under the age of two reportedly brought their child to a health center for immunizations (86%) and most households with pregnant women were able to access a health facility for antenatal care (89%) within the last three months. The most common reason for not visiting a facility was simply that immunizations or post-natal care were not required. However, among those who elected not to bring their child to a health facility for immunization, or among pregnant women who did not visit a hospital, about 1 in 5 cited a fear of contracting COVID-19 as the reason for avoidance behaviors.

[1] The "Bottom 40" represents the bottom 40 of the population ranked by household consumption per capita. The Top 60 represents the top 60 percent of the population ranked by the same metric.

Table 2. Medical experience during COVID-19 (% of households)

	In the last 30 days					
	A household member needed medical treatment	… and successfully accessed medical treatment	There is a child under 2 years old in the household	…in the last 3 months, the child was taken to the hospital for immunizations	There is a pregnant or new mother in the household	… in the last 3 months, she has gone to the hospital for natal care
All	30.1	96.2	6.6	86.1	4.1	88.9
Urban	30.1	98.3	5.4	n.a.	3.6	n.a.
Rural	30.1	95.1	7.2	n.a.	4.3	n.a.
Kinh majority	30.7	96.2	6.4	n.a.	3.8	n.a.
Ethnic minority	26.6	95.9	7.6	n.a.	5.7	n.a.

Notes: n.a. denotes sample is too small to present estimates.

EDUCATION

Along with businesses, schools were closed mid-April through mid-May, affecting the last quarter of the school year. About 66% of households reported having at least one child between the age of 3-22 years old; slightly over a quarter of households have at least one child in primary school. School closures impacted about 26% of households with children, where at least one adult had to reduce or stop employment to care for children due to education facility closures. The likelihood of parents staying home due to school closures was higher among households with younger children in lower grades. Adults were more likely to disrupt their work due to school closures among ethnic minority and Bottom 40 households, possibly due to a lack of alternate day care options or because their jobs are more likely to be among those (such as agricultural work) that cannot be done remotely. Mothers were more likely than fathers to stop working or reduce work hours during school closure.

Table 3. School closures impacts on working household members (% of households)

		Among households with children…	…which household member?		
	Household has a child between 3-22 years old	An adult stopped working or reduced working hours as a result of closure of an education facility	Mom	Dad	Other
All grades	66.0	25.5	81.1	42.4	3.6
Urban	61.5	24.3	82.9	40.9	1.7
Rural	68.3	26.1	80.3	43.0	4.5
Top 60	63.4	24.1	80.8	42.2	2.5
Bottom 40	70.1	27.7	81.5	42.6	5.1
Kinh majority	63.7	25.0	81.7	41.3	2.8
Ethnic minority	78.6	28.1	78.9	46.5	6.9

Mothers predominantly assisted with the education of children at lower levels, while at higher levels, self-study was more common. Students in pre-school and vocational training were the least likely to remain engaged in learning during closure. Post-lockdown, virtually all students were re-enrolled and back at school except for those students in vocational schools which were possibly impacted by lower business activity and operational revenue to warrant resumption.

Table 4. Education during school closures

	% of households reporting a child enrolled in school	% children engaged in education or learning activities while schools were closed.	% engaged children receiving learning support & supervision from…			% children enrolled in school in May/June
			Mom	Dad	Other (including self-study)	
All grades	58.1	74.4	52.3	14.8	32.9	98.4
Pre-school	16.7	34.7	65.1	11.9	23.0	97.3
Primary	26.9	81.9	62.3	15.8	22.0	99.3
Junior secondary school	21.7	85.3	50.3	15.3	34.4	98.8
Senior secondary school	13.6	88.5	40.5	15.8	43.7	98.4
Vocational education & training	1.7	48.5	18.4	14.3	67.3	89.7
University	6.0	87.9	27.5	8.4	64.1	98.2

Notes: Results are unweighted and are based on the number of children reported by the main respondent.

ASSISTANCE AND SUPPORT

In response to the negative economic impacts from COVID-19, the Vietnamese government implemented top-ups to existing social assistance programs and introduced three new relief programs to help laid off informal workers, contracted workers not qualified for unemployment insurance, and to provide cash support for household businesses.

About 20 percent of households were already receiving social assistance from existing programs targeting the poor. While the Bottom 40 and ethnic minorities are the poorest groups, they were also the least likely to apply for new COVID-19 relief. This may be due to a couple of factors. First, the government supplemented existing SA programs, but the survey questions did not capture this action nor the amount of the top-ups. Second, the nature of jobs being impacted by COVID-19 tended to be in the services sector that are generally more urban and hence less likely to be held by ethnic minority groups.

About 10 percent of households applied to the new COVID-19 relief programs. Households in urban areas were slightly more likely to apply, reflecting that economic centers are more hard-hit: 13.7% and 8.4% of households in urban and rural areas applied respectively.

Disbursement of new COVID-19 relief packages was low at the time of interview. About 1 out of 10 respondents who had applied for new relief had received it. Urban areas had slightly higher rates of receipt: 13% of applicants in urban areas had received relief as compared to 10.3% of households in rural areas. The receipt of new COVID-19 relief was also relatively even across the income distribution, which indicates that poor households were not necessarily prioritized in being granted relief.

Table 5. Social assistance (% of households)

	In 2020...			Since February...		
	Classified as poor in your commune	Received support for purchasing health insurance	Received support from any Vietnamese or international organization	Received cash support for poor & near-poor households, SA beneficiaries, and merit people	Applied for new COVID-19 relief programs	Received new COVID-19 relief programs
All	6.6	38.3	7.7	19.8	10.2	1.2
Urban	3.7	31.5	4.6	14.2	13.7	1.8
Rural	8.1	41.8	9.4	22.7	8.4	0.9
Top 60	2.4	31.7	4.7	13.1	11.4	1.4
Bottom 40	13.3	48.7	12.5	30.4	8.3	0.9
Kinh majority	4.8	33.3	6.9	18.5	10.8	1.3
Ethnic minority	16.8	66.1	12.5	26.7	6.8	0.7

Notes: Existing targeted SA programs include cash support for poor & near-poor households, SA beneficiaries, and merit people. Merit people refer to those have contributed during the "revolution and war times".

The adoption and use of Rice ATMs were taking off quickly. About 4 percent of households received in-kind food relief, which is highly likely to result from the new rice ATMs. These semi-automated machines dispensed 1.5 to 2 kilograms of rice at a time. While these ATMs were initially installed in Ho Chi Minh City to support those experiencing job loss amid the pandemic, more were installed across the country in collaboration with private donors and sponsors. To-date, there are rice ATMs in about 30 other locations around the country, including Hanoi, Da Nang, and the Mekong Delta.

HOUSEHOLD INCOME SOURCES

From February to June, nearly 70 percent of respondents experienced a reduction in household income to some degree. The incidence was relatively even across different groups of the population, however rural areas experienced income decline at a rate 5 percentage points higher than households in urban areas.

There was a similar share of households in the B40 and T60 that reported a reduction in income, but the reasons cited for the reduction differed: the B40 were more likely to report job loss or disruption to farming as the reason for income decline, while the T60 were more likely to report reduced wages or business income as their principal reasons.

Rural, Bottom 40, and ethnic minorities were more likely to cite income reduction due to job loss. However, this did not mean that job loss among this group was necessarily higher, but may more likely reflect that they had less safety nets and coping mechanisms to compensate.

The likelihood that a household experienced a reduction in household income is varied by the type and sector of employment of the respondent. Among respondents who were wage workers, those working in government, other services, and other manufacturing were less likely to experience a decline in household income, while 90 percent of wage-earners employed in accommodation, restaurants, wholesale, and retail sectors reported an episode of income loss during COVID-19 lockdown measures. These disparities exist since jobs in the informal sector or low-skill services were the least stable during lockdowns.

Table 6. Income reduction and reasons (% of households)

	Since February	Among households who experienced declined income, Top 5 cited reasons for decline				
	% of households that experienced an episode of income reduction	Job loss	Reduced earnings from household business	Disruption of farming, livestock, fishing activities	Fall in the price of farming/ business output	Household business closure
All	69.5	38.4	27.2	12.1	11.1	8.7
Urban	66.1	33.3	37.1	3.8	5.1	12.4
Rural	71.3	40.9	22.3	16.1	14.0	6.9
Top 60	70.0	35.5	31.9	8.5	9.9	10.5
Bottom 40	68.8	43.2	19.5	17.8	13.0	5.9
Kinh majority	70.3	37.4	28.8	10.3	10.4	9.6
Ethnic minority	65.5	44.8	17.6	22.8	15.5	3.6

Despite the large share of respondents who had indicated an episode of household income reduction, it is likely that these reductions occurred during the 21-day lockdown period and were temporary. However, the degree of income reduction was not part of the current round of the monitoring survey but will be incorporated in subsequent rounds. Careful monitoring will be done to assess if there were longer-lasting impacts from labor market disruptions.

EMPLOYMENT STATUS AND SECTOR

While income reduction during lockdown was widespread across sectors and the income distribution, most households recovered post-lockdown. Most respondents who were wage workers in February, held the same job in May/June. Additionally, most family farms and family businesses were operating in May/June at similar levels as they had been in February.

WAGE WORKERS

Most wage working respondents and other members of their households held the same job in May/June as they did in February. Only 7% and 12% of main respondents and other household members – respectively – switched or lost their jobs between February and June 2020. Job switching was more common than job loss. This suggests most surveyed households in Vietnam exhibited a high degree of economic resilience with respect to labor force participation. Moreover, other reported reasons for not working included seasonality, retirement, or vacation. By May/June, the vast majority of wage workers were also being paid in full.

Table 7. Employment status among wage workers

Employment status by period		% respondents (unweighted)	
February 2020	Last 7 days (late May- late June)	Main respondent	Other household members
Working	Working in same job	64.1%	87.8%
	Working in different job	4.5%	12.2%
	Not working	2.2%	
Not working	Not working	31.4%	N/A

Notes: These proportions are unweighted. Work is defined as those who worked at least an hour in the last 7 days for income. Reference to 'the last 7 days' varies by the date of interview, which ranged from June 5 to July 8, 2020. The figures in the table assume all main survey respondents who were working now were also working in February. Due to questionnaire structure, it was not possible to compute those who were not working in February but are working now.

FAMILY FARMS

Over half of households in Vietnam have a family farm. Post-lockdown, most family farms resumed operating normally. As of June 2020, an overwhelming majority (90%) of farming households had resumed normal farming activities compared to the same time last year. Among those who were not operating normally, farmers were just as or more likely to cite reasons unrelated to COVID-19. In rural areas, 3.7 percent of family farms were unable to operate normally because of weather or natural disasters, while 2.4 percent reported challenges in resuming operations due to restrictions to movement and travel.

Table 8. Family Farms

			% of family farms unable to perform normal farm activities, by challenge			
	% of households with a family farm	% of family farms able to perform normal activities since February	Required to stay home	Restrictions on movement and travel	Weather or natural disasters	Livestock and crop diseases
All	53.8	89.6	1.4	2.4	3.2	1.2
Urban	22.3	91.5	1.0	2.1	0.8	0.3
Rural	70.4	89.3	1.5	2.4	3.7	1.3
Top 60	43.6	89.2	1.1	2.2	3.3	1.3
Bottom 40	69.9	90.0	1.8	2.6	3.2	1.0
Kinh majority	49.1	89.2	1.0	2.1	3.6	1.4
Ethnic minority	79.5	91.2	3.0	3.4	2.1	0.4

From a production perspective, rice farmers have benefited from increasing exports of rice. Relative to June 2019, the average sales price of rice in June 2020 were higher than typical.

NON-FARM FAMILY BUSINESS

One quarter of households in Vietnam operate a family business. Most households with non-farm family businesses experienced short-term income shocks during lockdown measures but rapidly resumed operations after these measures were relaxed, with similar levels of pre-pandemic business revenue being reported. In May/June, nearly all (95%) reported their businesses were still open, while just over 4 percent reported temporary closures.

While two-thirds of households with family businesses experienced reduced income at some point during the lockdown, less than a third reported a reduction in revenue in May or June relative to pre-pandemic levels in February 2020. As expected, most family businesses reported more activity post-lockdown in June than in May. Comparing responses between those interviewed in June or July, economic activity seemed to improve among those interviewed later. Among July interviews (about 14% of the sample), more reported higher than usual business income.

Table 9. Family businesses

		Operating status of family businesses in the 'prior month'			
	% of households with a family business	Open	Temporarily closed	Permanently closed	% of family businesses that adjusted business due to COVID-19
All	24.6	95.4	4.0	0.6	19.4
Urban	29.9	97.2	2.6	0.2	22.3
Rural	21.7	94.1	5.0	0.8	17.2
Top 60	28.7	96.4	3.1	0.5	19.3
Bottom 40	18.0	92.9	6.4	0.7	19.4
Kinh majority	26.0	95.8	3.7	0.4	18.9
Ethnic minority	16.4	91.8	6.4	1.8	24.0

Note: 'Prior month' ranges from May to June, depending on the date of interview.

OUTLOOK

About a month following the April lockdown period, Vietnam shone as a remarkable case that had seemingly avoided any significant adverse impacts of COVID-19 both in economic and health terms. Yet, an outbreak in Danang in mid-August led to the country's first deaths, a second wave of lockdowns in some provinces, and greater uncertainty about the duration and scope of the pandemic. While impacts from the 1st lockdown were mild and short-lived, a prolonged pandemic and repeat lockdowns may strain the coping abilities of households, and undermine the ability for businesses to remain operational. Further, even as the pandemic is well managed domestically, risks still exist. For example, if COVID-19 in export destination countries is not sufficiently controlled, manufacturing sectors can still suffer.

Indeed, while Vietnam has managed the early months of the pandemic exceptionally well, a prolonged crisis will prove more challenging. Continued monitoring of households is thus important. Fieldwork for three subsequent rounds of the COVID-19 household high-frequency surveys are planned for July, September, and November.

Box – Survey methodology:

This survey brief summarizes the results from the first round of the Vietnam COVID-19 High-Frequency Survey of Households. Field work was conducted by the Mekong Development Research Institute. More than 12,000 households were contacted, and over half of those contacted participated in the survey, reflecting people's recognition of the importance of this activity. The final sample is nationally representative of households, covering 6,213 households drawn from a 2018 sampling frame. The survey weights were adjusted to account for lower response rates in the lower and upper deciles.

One main respondent was interviewed from each household. Most respondents were household heads (63%). Nearly a quarter of respondents were spouses, and a small portion of respondents were teens aged 16 years or older (8%). Respondents were diverse with about 54% of respondents being male. Further, the main respondent was asked about the employment status of other household members who were working in February, and information was provided for 3,386 additional members for a small set of questions.

Fieldwork for the first round of survey data collection occurred during the period from June 5 to July 8, 2020. About 14% of the sample were interviewed in July rather than June. For those interviewed in June, some questions with an associated reference period of "last month" referred to May 2020. Note that the lockdown was still in effect in early May. For the smaller share of respondents who were interviewed in July, their reference period for these questions was June 2020, which was exclusively post-lockdown. Responses about business activity for these two groups may likely be influenced due to this aspect.

The survey instrument includes indicators on household health, preventative health behaviors, employment dynamics, income loss and coping strategies, parental responses to school closures, and social assistance demand and disbursement.

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Microdata for the Vietnam High-Frequency Survey of Households and accompanying survey materials are accessible to registered users on the World Bank Microdata Library.