



UNDP LAC C19 PDS N°. 12

COVID-19 and vulnerability: a multidimensional poverty perspective in El Salvador

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Abstract

This document offers an insight on the vulnerability of households in El Salvador in light of the COVID-19 shock, based on the scope of multidimensional poverty. Preexisting poverty conditions that determine some households to be more at risk than others facing the pandemic are identified using the Multidimensional Poverty Index (MPI). The MPI lists six deprivations that account for these risks: access to drinking water, access to health services, overcrowding, access to sanitation, underemployment and access to social security. It is estimated that 85.5% of households suffers from one of the aforementioned deprivations. Additionally, four groups of households with characteristics that present elements of risk or disadvantage facing COVID-19 are identified, these are: multidimensionally poor; dependents on remittances; households with people over 60 who are dependent, and households with women head. These households should be prioritized in the response to the current emergency; thus, we recommend immediate and early responses denominated resilience packages..

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Introduction to the series:

Evidence, Experience, and Pertinence in Search for Effective Policy Alternatives

The Covid-19 pandemic is one of the most serious challenges the world has faced in recent times. The total cost in terms of human lives is yet to unfold. Alongside the cost of lives and deep health crisis, the world is witnessing an economic downfold that will severely impact the wellbeing of large parts of the population in the years to come. Some of the measures that are currently being used to counteract the pandemic may impact our future lives in non-trivial ways. Understanding the association between different elements of the problem to broaden the policy space, with full awareness of the economic and social effects that they may bring, is the purpose of this series.

Thus far, the impossibility of targeted isolation of infected individuals and groups has led to policies of social distancing that impose a disproportionately high economic and social cost around the world. The combination of policies such as social distancing, lockdowns, and quarantines, imply a slowdown or even a complete stop in production and consumption activities for an uncertain period of time, crashing markets and potentially leading to the closure of businesses, sending millions of workers home. Labor, a key factor of production, has been quarantined in most sectors in the economy, borders have been closed and global value chains have been disrupted. Most estimates show a contraction of the level of output globally. For the Latin America and Caribbean region, the consensus forecasts are at -3 to -4%, and it is not until 2022 that the region is expected to go back to its pre-crisis output levels in scenarios that foresee a U-shaped crisis pattern. According to ECLAC, more than 30 million people could fall into poverty in the absence of active policies to protect or substitute income flows to vulnerable groups.

We face a crisis that requires unconventional responses. We are concerned about the level-effect: the impact of the crisis on the size of the economies and their capacity to recover growth after the shock. But we are equally concerned about the distributional impact of the shock. The crisis interacts with pre-existing heterogeneity in asset holdings, income-generation capacity, labor conditions, access to public services, and many other aspects

that make some individuals and households particularly vulnerable to an economic freeze of this kind. People in the informal markets, small and micro entrepreneurs, women in precarious employment conditions, historically excluded groups, such as indigenous and afro-descendants, must be at the center of the policy response.

UNDP, as the development agency of the United Nations, has a long tradition of accompanying policy-making in its design, implementation, monitoring and evaluation. It has a mandate to respond to changing circumstances, deploying its assets to support our member states in their pursuit of integrated solutions to complex problems. This series aims at drawing from UNDPs own experience and knowledge globally and from the expertise and capacity of our partner think tanks and academic institutions in Latin America and the Caribbean. It is an attempt to promote a collective reflection on the response to the Covid-19 health crisis and its economic and social effects on our societies. Timeliness is a must. Solutions that rely on evidence, experience, and reasoned policy intuition –coming from our rich history of policy engagement– are essential to guide this effort. This series also contributes to the integrated approach established by the UN reform and aspires to become an important input into the coherent response of the United Nations development system at the global, regional, and national levels.

Ben Bernanke, former Governor of the US Federal Reserve, reminds us in his book *The Courage to Act* that during crises, people are distinguished by those who act and those who fear to act. We hope this policy documents series will contribute to the public debate by providing timely and technically solid proposals to support the many who are taking decisive actions to protect the most vulnerable in our region.

Luis F. Lopez-Calva
United Nations Development Programme
Regional Director, Latin America and the Caribbean
New York, March 2020



Acronyms and abbreviations

BFB	Basic Food Basket
COVID-19	Coronavirus disease 2019
Digestyc	General Directorate of Statistics and Censuses
ECOS	Community Family and Specialised Health Teams
EHPM	Multi-Purpose Household Survey
IMF	International Monetary Fund
MPI	Multidimensional Poverty Index
ISSS	Salvadoran Institute of Social Security
Minec	Ministry of Economic Affairs
SDO	Sustainable Development Objectives
ILO	International Labour Organization
OPHI	Oxford Initiative for Human Development and Poverty Reduction
GDP	Gross Domestic Product
WFP	World Food Programme
UNDP	United Nations Development Programme
STPP	Technical Secretariat of the Presidency



Introduction

The 2010 Human Development Report "The Real Wealth of Nations: Pathways to Human Development", published in the framework of the twentieth anniversary of the reports on human development, presented the methodology for measuring multidimensional poverty based on the work of Alkire and Foster (2009) and the Oxford Initiative for Human Development and Poverty Reduction (OPHI).

Thus, in 2015 the United Nations Programme in El Salvador accompanied the national government in the first exercise in measuring multidimensional poverty, in defining its dimensions and calculating the Multidimensional Poverty Index (MPI). Thanks to this, the country now has four MPI measurements for 2014, 2016, 2017 and 2018.

Poverty is a condition that transcends income and encompasses multiple dimensions of development, such as education, housing, the community environment, the risk of natural disasters and access to basic services. The MPI allows us to consider these multiple edges of human development, taking into account multiple deprivations in different dimensions that affect who people are and what they can do with their lives.

Information on the multidimensional poverty measurement becomes more relevant in terms of natural catastrophes and pandemics, such as the current COVID-19, since its impact on people's lives and their possibilities differs according to characteristics and ways of life. Aware of the need to contribute to the State during this crisis, UNDP presents the document: "*COVID-19 and vulnerability: a perspective of multidimensional poverty in El Salvador*", aimed at contributing to and shedding light on how to face this health and economic crisis, based on scientific evidence and trying to attend to those groups that are left behind.

This document presents six risk factors related to COVID-19 based on the same number of deprivations considered in the MPI, namely: access to drinking water, access to health services, overcrowding in the home, sanitation, access to social security and underemployment. These elements are combined with other characteristics that generate vulnerability for the pandemic and its consequences within households, such as female heads without a spouse and/or with older adults and children; or dependence on remittance flows for subsistence. As a result, four groups of households are identified that must be considered to prevent contagion and bear the economic consequences of sanitary measures in households.

The recommendations in this document combine the elements indicated with the deprivations interconnected to risks posed by the COVID-19 epidemic. Therefore, measures of a sanitary and economic nature are proposed, which must consider two types of temporality: some of an immediate nature and others of an early recovery, which have been called "resilience baskets". Immediate sanitary measures include responses to address deprivations from access to drinking water, access to health services, overcrowding and sanitation. Economic measures include those that address underemployment and social security.

The five resilience baskets (care, food, income, temporary work and non-contributory social security) are proposed for application/distribution according to the classification of the four groups of households in multidimensional poverty. We are aware that the scope and content of these baskets depend on the resources available to deal with the emergency, and given the restricted fiscal context, instruments should be available to try to make better use of these resources. This document proposes to do this by taking advantage of progress in the fight against poverty.

The document is divided into four sections. Section 1 explains how the calculation of multidimensional poverty and vulnerability arises; section 2 shows the characterisation of multidimensional poverty in Salvadoran house-



holds, at the territorial level. Section 3 analyses the risk factors of vulnerable households when dealing with the COVID-19 pandemic, based on the six deprivations; and section 4 shows the recommendations for an immediate response to the six types of deprivation.

1. Multidimensional poverty and vulnerability

Over the years many efforts have been made to identify who and where poor people are. Many resources have been invested to develop methodologies, programmes, and in obtaining knowledge about people living in poverty and vulnerability. Nowadays, there is consensus on minimum income thresholds; and it is recognised that poverty implies deficiencies that go beyond it. Recurring economic crises have repercussions on the number of people living in poverty. The health crisis generated by COVID-19 has shown that it requires measures that address the economic slowdown, since containment of the contagion implies a decrease in economic activity, which generates economic losses in terms of negative growth (Baldwin and di Maduro, 2020).

The measurement and analysis of multidimensional poverty gives us an idea of the vulnerability of people and households under different risk factors. This is brought about by the shock from COVID-19, which represents a health, humanitarian and socio-economic crisis. This instrument identifies a sector of the population that is more susceptible to economic losses, or rather, that vulnerability is many facets and natures.

Individuals and companies are inevitably exposed to what economists call “shocks” [crises], that is, adverse events that have the potential to cause marked decreases in living standards. The greater the crisis, the greater its intensity and duration, in addition to causing greater vulnerability, without taking into account other factors. (Stiglitz in UNDP, 2014)

In terms of human progress, Amartya Sen's approach to human development captures the interaction between the operations - the “being” and the “doing” of a person - and the capacities required to achieve these operations (Sen, 1992 in UNDP, 2014). Progress in the area of human development often stagnates or dissipates if threatened by seizures such as global epidemics, climate change, natural disasters, violence and conflict. People in situations of vulnerability and marginalisation are the main victims (UNDP, 2016).

Formulating policies to reduce vulnerability requires taking a self-cause approach. The Multidimensional Poverty Index (MPI) marked an advance in the measurement and conceptualisation of poverty, vulnerability and well-being beyond income, based on the ground-breaking work of Alkire and Foster (2009). This was promoted by the Oxford Initiative for Human Development and Poverty Reduction (OPHI); and published globally by the United Nations Development Programme (UNDP) in 2010.

The 2016 Human Development Report for Latin America highlighted that one of the greatest threats to multidimensional progress in the region was the relapse of millions of households into situations of poverty and extreme poverty. This could affect between 25 and 30 million people in contexts of fragility and economic vulnerability (UNDP, 2016). The COVID-19 crisis raises this possibility and, therefore, requires special attention and measures that serve people in conditions of greater vulnerability.

The dimensional poverty measurement represents a qualitative leap in poverty care, since it meant going from measurements based solely on income to others based on multiple social, labour and environmental indicators, which is of great value for the definition of public policy (UNDP, 2016). Vulnerability has many facets because crises have different types and natures. This vulnerability is reflected in the deprivations and dimensions considered in the IPM. This document analyses the vulnerabilities of people to the COVID-19 pandemic from the perspective of



multidimensional poverty and its economic, environmental, labour and basic service deprivations. The aim of this is to propose a public policy response focused on populations in the most vulnerable condition.

2. Multidimensional poverty in El Salvador

Although poverty has typically been defined based on income, it can also be defined in terms of the deprivations that people face in their daily lives (Alkire, Kanagaratnam & Suppa, 2019). The multidimensional poverty measurement in El Salvador is based on the Alkire-Foster method (2008), which combines a counting and aggregation technique to identify people and households experiencing deprivation. In this method, multidimensional poverty is analysed from an incidence and intensity perspective.

Incidence is known as the multidimensional poverty rate (H). And estimates the proportion of people or households that are classified as multidimensional poor people. Intensity (A) reflects the average proportion of dimensions in which multidimensional poor people face deprivation. The combination of incidence and intensity (H x A) is the Multidimensional Poverty Index (MPI) (STPP, 2015, p. 32). In El Salvador, the MPI considers five dimensions: 1) education, 2) housing conditions, 3) work and social security, 4) health, basic services and food security, and 5) habitat quality.

In addition to the five dimensions, the MPI is also calculated on the basis of 20 indicators. Four indicators were selected for each dimension: a) for the **education dimension**: inadequate early care, school absences, educational backwardness and low education of adults; b) for the **housing conditions dimension**: inadequate roof, floor and wall materials, overcrowding and insecure land tenure; c) for the **work and social security dimension**: child labour, underemployment and job instability, lack of access to social security and unemployment; d) for the **health dimension**: food insecurity, lack of access to health, water and sanitation services; and e) for the **habitat quality dimension**: lack of public spaces for recreation, incidence of crime and crime, restrictions on daily activities due to insecurity, and exposure to environmental damage and risks (STPP, 2015, p. 33).

■ By 2018, in El Salvador, 28.8% of households and 33.8% of people lived in conditions of multidimensional poverty (see **table 1**). This is equivalent to more than 537 thousand households; that is, more than 2.2 million people in the country live in poverty, with significant deprivations.

Table 1. People and households living in multidimensional poverty, 2018

Multidimensional poverty	Men	Women	Total
People	1,092,588	1,154,577	2,247,165
Households	366,238	171,588	537,826
People %	35.0	32.8	33.8
Households %	31.2	24.6	28.8

Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

Before 2014, poverty was only measured in the country using the income method¹. This methodology, which accounts for monetary poverty, represents another way of understanding vulnerability through income; and its contrast with the threshold defined by the value of the Basic Food Basket (BFB), which represents the extreme pov-

¹ This method is considered indirect, as it focuses on the monetary capacity to acquire certain goods, rather than on their effective acquisition.



erty line. Specifically, the latest measurement available to date suggests that 26.3% of households in El Salvador live below the monetary poverty line².

In table 2, both methodologies are integrated (monetary and multidimensional). The result shows that 12.4% of households fall into the category of income poverty and multidimensional poverty. In these households, the per capita income is insufficient to cover the per capita value of the expanded basic basket (which is equivalent to twice the value of the BFB); and at the same time they experience seven or more deprivations in indicators of multidimensional poverty in the home. The proportion is equivalent to just over 230 thousand households, which could be considered hard core poor in the country.

■ **Table 2.** Households according to monetary and multidimensional poverty conditions, 2018

	Without multidimensional poverty	With multidimensional poverty	Total
Without monetary poverty	57.4	16.3	73.7
With monetary poverty	13.9	12.4	26.3
Total	71.3	28.7	100.0

Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

The 2030 Sustainable Development Agenda establishes SDG 1: No poverty as one of its 17 objectives for ending poverty in all its forms. In particular, Goal 1.2 states: “(From 2015) By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions, according to national definitions”.

For 2030, this means that the number of people living in monetary poverty will decrease to at least 20.3%. Likewise, for 2030, a commitment was made to reduce the number of people living in conditions of multidimensional poverty to at least 21.0%.

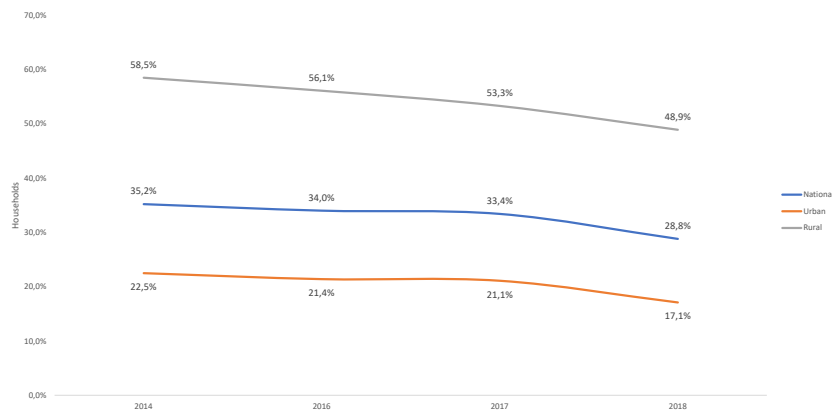
Despite the progress made in recent years, in terms of multidimensional poverty alleviation, more specifically in the reduction of 6.4 percentage points of households living in this condition between 2014 and 2018, a notable geographic gap still persists. Urban multidimensional poverty is 11.7 percentage points lower than the country’s general poverty rate; while poverty in rural areas exceeds the national rate by 20.1 percentage points.

For 2018, the latest multidimensional poverty data shows that 48.9% of rural households experience deprivation in the different dimensions of this indicator. This is equivalent to more than 330 thousand households, which could place them in a highly vulnerable condition at the outset of the COVID-19 pandemic (see graph 1).

² Monetary poverty has a higher incidence in rural areas (30.0%) than in urban areas (24.1%). On the other hand, inequalities within urban areas are worse for female heads of households (25.0%) compared to their male counterparts (23.6%).



■ Graph 1. Percentage of households in multidimensional poverty, according to geographic area of residence, 2014-2018



Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

As stated above, the multidimensional poverty methodology is based on 20 indicators, grouped into five dimensions, several of which stand out for the level of deprivation they reflect. Among them are: adult education; access to social security; underemployment and job instability; access to water and sanitation; and, restrictions due to insecurity (see **graph 2**).

Deprivations due to education refers to the existence of low levels of education of adults in the home. This is one of the most important deprivations of the more than 1.8 million Salvadoran households considered in the EHPM. In El Salvador, 77.5% of households have adults with low levels of education. In other words, its members, whose ages are between 18 and 64 years, did not complete secondary education, or also people of 65 years or more did not complete the sixth grade of basic education.

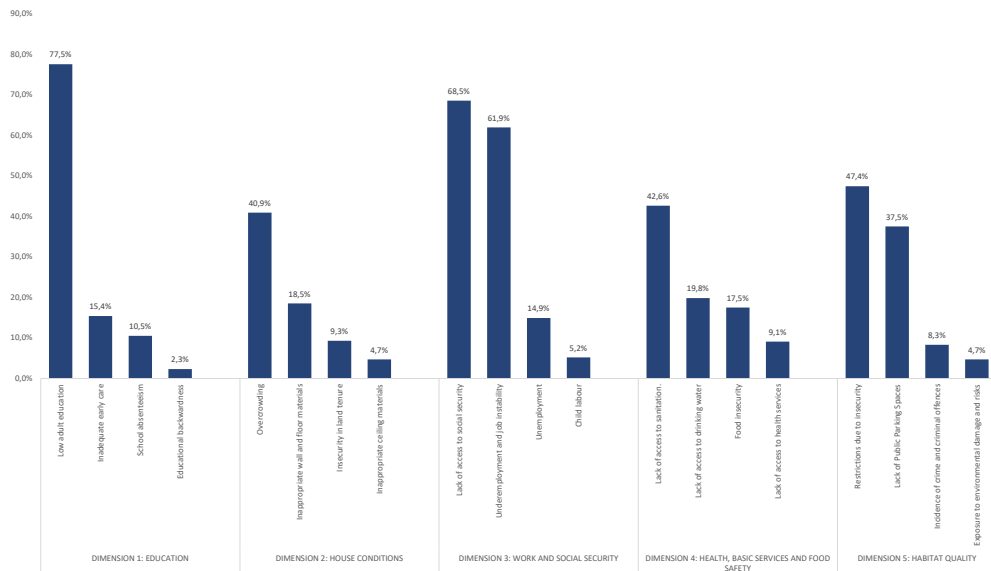
deprivations stand out in the work and social security dimension. The first is that 68.5% of Salvadoran households face deprivations in terms of social security, which is understood when at least one professionally active person is not a beneficiary or contributor to social security (including the ISSS³) or the Pension Savings System. The other deprivation is that 61.9% of households are deprived due to underemployment and job instability. This refers to the situation in which at least one person in the household is underemployed (by time or by income); or, due to having an unstable job in which there are periods of forced inactivity of more than one month per year.

In health, basic services and food security dimension, it should be noted that 42.6% of households face a lack of access to sanitation. This means that they are households without access to a sanitary service connected to the sewage network, that is, with a septic tank or when the sanitary service is shared and owned by another household. Finally, in the dimension of housing conditions, it stands out that 40.9% of households live in overcrowded conditions, that is, where there are three or more people per bedroom.

³ Salvadoran Institute of Social Security



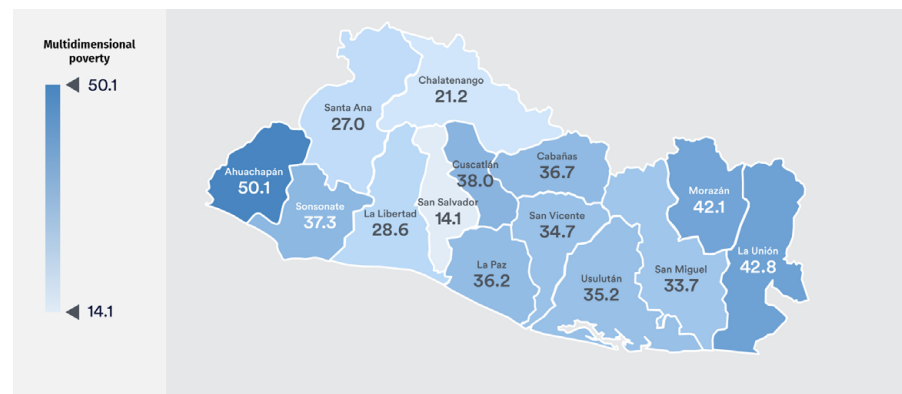
■ **Graph 2.** Deprivations in households, according to dimensions for 2018



Source: own elaboration based on EHPM 2018 (Minec-Digestyc).

In general, multidimensional poverty has a fairly marked territorial features. In this respect, the highest incidence is reported in the departments of Ahuachapán with more than half of the households living in poverty (50.1%); La Unión with 42.8% and Morazán with 42.1%. On the other hand, San Salvador and La Libertad report the lowest rates with 14.1% and 28.6%, respectively (see **map 1**).

■ **Map 1.** Incidence of multidimensional poverty in households, 2018



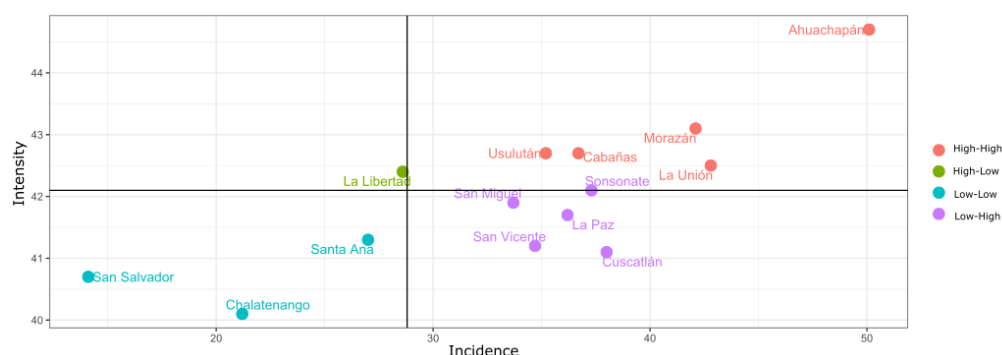
Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

As mentioned before, the multidimensional poverty methodology combines two elements to account for the phenomenon of poverty: the incidence (H), given by the proportion of households experiencing multiple deprivations, as well as the intensity (A) of said poverty, measured by the average proportion of deprivations experienced. **Graph 3** shows two reference lines: one for the intensity on the ordinate axis and the other for the incidence of poverty on the abscissa axis, based on the national values (42.1 and 28.8%, respectively) formed by the national average. The data corresponding to each of the 14 departments are presented in the quadrants formed by the reference lines.

The first group (in pink) is considered the most critical. It is made up of five departments that have high levels of intensity and incidence of multidimensional poverty: Ahuachapán, Morazán, La Unión, Cabañas and Usulután. In particular, Ahuachapán not only has the highest incidence rate of multidimensional poverty in households, but also has the highest intensity, 44.7. This means that households in multidimensional poverty, on average (weighted), are deprived of 44.7% of the indicators of this poverty measurement.

A second group (in purple) is made up of five more departments, in which a high percentage of households live in conditions of multidimensional poverty, although the intensity of this poverty is less severe than the national average. These include: Sonsonate, San Miguel, La Paz, San Vicente y Cuscatlán. The third group (in cyan) includes three regions: San Salvador, Chalatenango and Santa Ana, which could be thought to have fewer vulnerabilities than the rest, since they have a relatively low percentage of households in poverty, while the intensity of this poverty is lower than the national average. La Libertad falls into the remaining category and represents the closest to the national average of intensity and incidence (in green).

■ Graph 3. Incidence of households and intensity in multidimensional poverty by department, 2018



Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

The territorial differences indicated are important in the face of public policies aimed at reducing the spread of COVID-19; and, for those designed for the recovery of living standards in the short, medium and long term. The combination of these two characteristics of this measurement (intensity and incidence) is emphasized because with them the Multidimensional Poverty Index (WPI) is obtained, which represents an incidence measure adjusted for the severity of the deprivations suffered by households. **Graph 4** shows that the MPI only improved from 0.152 to 0.121 between 2014 and 2018.

Likewise, the alleviation of this poverty has occurred in both urban and rural areas, very much in line with the efforts made in light of the Sustainable Development Goal 1 Goals: End all forms of poverty. However, it must be guaranteed that shocks such as those experienced worldwide and in El Salvador, due to the public health measures necessary to flatten the epidemiological curve of COVID-19, as well as its economic and social effects, do not jeopardize progress achieved to date in terms of poverty reduction and the commitment to reduce the population living in any form of poverty to at least half by 2030.

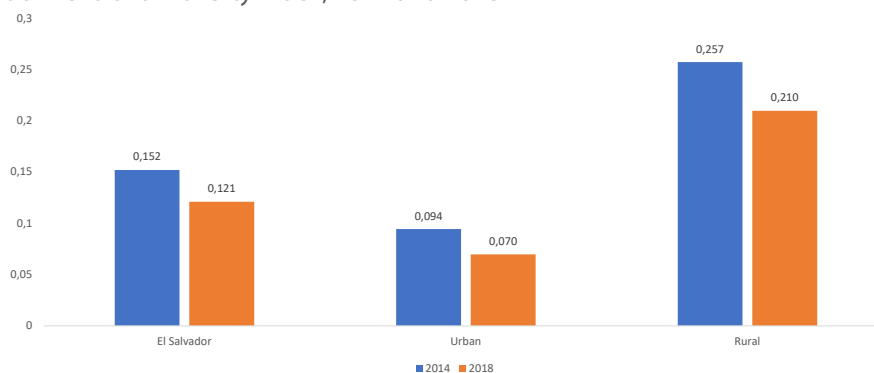
According to Dercon (2001), there are at least three types of shocks that can affect vulnerability to poverty, which could occur in the current COVID-19 pandemic. The first type directly affects people's assets, in this case, for example, illness or contagion would impair a person's ability to perform paid work in the short term. The second type is the contextual shocks that people use to transform their assets into income, which would materialize in the loss of employment, suspensions or the inability to carry out trade due to the confinement measures and social distancing



used to flatten the epidemiological curve. The third type refers to shocks to transfers, such as remittances from the United States, which could face a significant reduction as a result of the economic crisis in that country.

These three types of shocks must be mitigated with differentiated measures that attend differently to those who are affected by one or the other. For this reason, this document proposes to protect the progress achieved by creating **resilience baskets**, which broadly consist of public policies focused on the labour market, such as the generation of capacities and the promotion of productive inclusion, social protection and their universalization, care systems and access to physical and financial assets to protect people from the risk of falling into poverty (see UNDP, 2016).

■ Graph 4. Multidimensional Poverty Index, 2014 and 2018



Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

3. Vulnerable households and risk factors against COVID-19

The response to COVID-19 will mark a turning point in the task of ending poverty in all its forms (Alkire, Dirksen, Nogales & Oldiges, 2020). In this regard, multidimensional poverty measurement offers a look at the vulnerability of people and households under different risk factors. This tool allows us to identify approximately the size of vulnerable populations and those susceptible to economic, social and health risks.

In the face of the COVID-19 pandemic, it must be recognized that there are individuals and groups that will be able to overcome adversity better than others, and that after the pandemic this could result in a noticeable reduction in opportunities or in the immediate and subsequent impact on the level of life.

By their nature, health emergencies can cause household income or income to decrease and medical expenses to increase; while economic crises carry the risk that people will lose their jobs due to the recession or the deterioration of trade relations (UNDP, 2014). The crises indicated usually occur in a subsequent way or generated by each other, but in the COVID-19 pandemic both occur in a p way, in that sense it is worth asking what types of households would be most affected by the health and economic effects of the pandemic.

In this exercise, **four groups of households** have been identified that, for different reasons, have specific characteristics that accumulate risk factors or disadvantages against COVID-19. The first type are those headed by female single parents, which represent around three in every ten households at a national level (31%). Their vulnerability responds to the fact that women in the country have a lower economic participation with a gap of -33.4 between men and women, to the fact that, on average, women receive 17% less than men; and that they are overrepre-



sented in branches of commerce, hotels and restaurants, education, community services and households with domestic service (UN Women, 2020) which are subject to sanitary measures that more affect their labour income.

A second group of vulnerable households is identified based on the epidemiological risk in the profile of the affected population, which suggests a higher probability of requiring hospitalization and even the need for Intensive Care Units among people over 60 years of age. In this regard, households with members older than 60 years of age are identified as potentially vulnerable in this pandemic.

Due to all the aforementioned, a third group is that of multidimensional poor households, particularly those that have an incidence of deprivation that are presented below.

Finally, it should not be forgotten that El Salvador is an economy closely linked to that of the United States, since this is the main trading partner and also the place of residence of about 2.5 million Salvadorans. In 2018 alone, it is estimated that some 164 thousand households are highly dependent on remittances since more than a third of their income came from the flows of said transfers. Taking into account the economic contraction in the United States, these households become very vulnerable to a reduction in remittances due to the contraction of economic activity and employment in that country. Therefore, a fourth vulnerable group is family remittance-dependent households that represent a third or more of their income (see **Table 1**).

■ **Table 1.** Types of households with greater vulnerability to COVID-19

1. Households headed by women
2. Households with members older than 60 years of age
3. Multidimensional poor households
4. Households that are dependent on income from remittances

Considering the previous characteristics of a specific group of households, some critical multidimensional poverty measurement indicators can give us an idea of interconnected risks when dealing with the COVID-19 epidemic. Along these lines, six deprivations are identified that could account for this risk due to the effects they generate, namely:

■ **Table 2.** Deprivations in Salvadoran homes that aggravate people's situations before COVID-19

1. Overcrowding	Number of people sharing the same space.
2. Lack of access to social security	Potential risks of unemployment and recession.
3. Underemployment and job instability	Potential loss of income and/or livelihoods.
4. Lack of access to drinking water ⁴	Effects of prevention of contagion.
5. Lack of access to health services ⁵	Potential loss of income and/or livelihoods
6. Lack of access to sanitation ⁶	Effects of prevention of contagion.

⁴ The household is deprived if you do not have access to drinking water within the land of your home or if you have a home connection, but you do not receive the service for more than a month.

⁵ The household is deprived if at least one person who required medical attention did not have access to care in the public system; or if the household, not having required medical attention if needed, did not go to the public system because it considered that there was no access to the service (STPP and Minec-Digestyc, 2015).

⁶ According to the World Health Organization, people with suspected or confirmed COVID-19 should receive their own toilet or latrine with a door separate from the patient's room. Toilets must function properly and have working drain traps. When possible, the toilet should be flushed with the lid down to avoid drip splashes and spray clouds. If it is not possible to provide separate toilets, the toilet should be cleaned and disinfected at least twice a day with a proper cleaning product using personal protective equipment (gown, gloves, boots, mask, and a face shield or glasses) (WHO, 2020).



Based on these deprivations, 85.8% of national households suffer from at least one of the six mentioned. This percentage is equivalent to more than 1.6 million households (see **graph 5**). It should also be added that just over two out of every three households have between one and three deprivations linked to COVID-19 risks; 15% report a deprivation; 29.9%, two deprivations; and, 24.3%, three deprivations (see table 3). It should be noted that a relatively small percentage of households experience deprivation in all six indicators at the same time (only 0.8% of households).

I. Households headed by women

This first group represents 31.1% of all households nationwide, which is equivalent to some 580 thousand households, among which 74% of them have between one and three deprivations. This group also contains a subgroup consisting of almost 230 thousand households that, in addition to being headed by women, have members between 0 and 17 years old. It is important to bear in mind that a characteristic is added stating that women have higher unpaid household workloads and that confinement measures generate greater family burdens.

II. Households with members older than 60 years of age

29.3% of households are identified in this profile, which is equivalent to more than half a million households in all. 75% of this group includes between one and three of the deprivations identified. This group is identified due to the epidemiological risk suffered by people over 60 years of age, while trends show that this age group is more likely to require hospitalisation and even the need for Intensive Care Units.

III. Multidimensional poor households

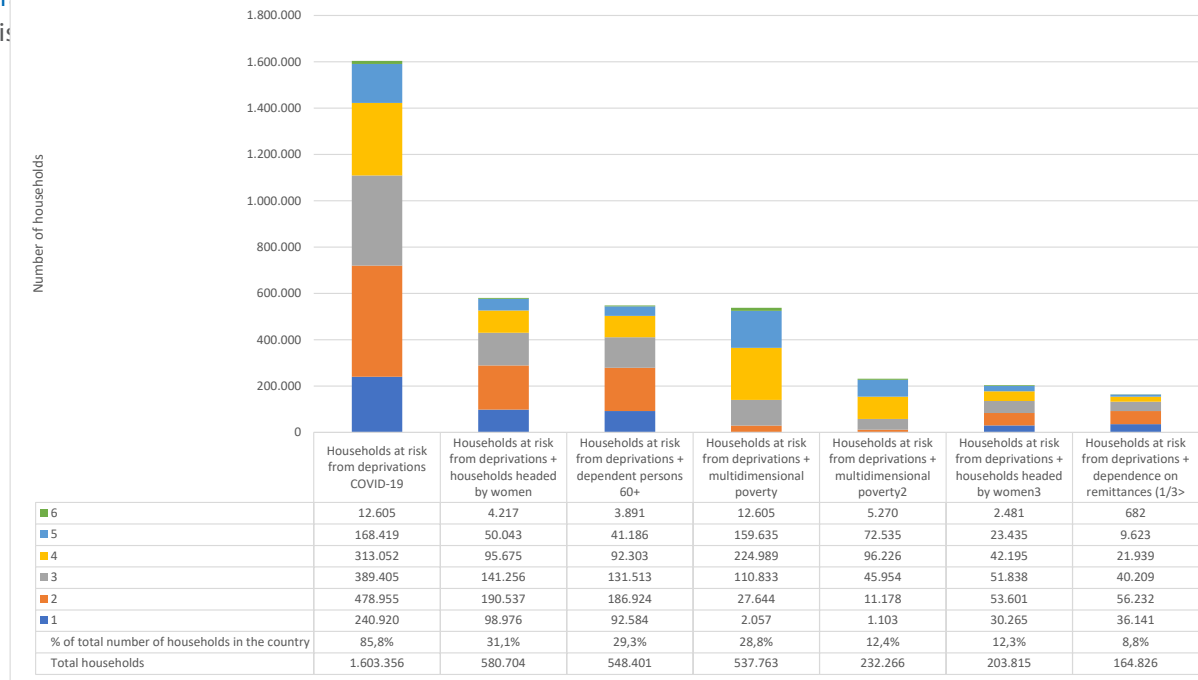
This third profile is equivalent to 28.8% of households, that is, 537,763 in El Salvador. This group has the particularity that it accumulates the greatest number of deprivations, since 71.5% of them present between four and five of those identified. This is consistent with the measurement of multidimensional poverty since a greater number of deprivations increases the level of poverty. Within this group, some 232,266 households, in addition to being multidimensional poor, are also monetary poor because they cannot cover the cost of the BFB, which means that they have a double condition of poverty.

IV. Households that are dependent on income from remittances

The fourth and last group are those households that depend to a large extent on money sent monthly from abroad. That is, they are those households in which a third of the monthly income is made up of said family remittances. Due to the magnitude of the pandemic in the United States, it is relevant to consider a potential economic recession and a consequent increase in Hispanic unemployment. This group is comprised of 164 thousand Salvadoran households. 80% of these households include between one and three deprivations.



Graph 5. Types of households with health and economic vulnerabilities that present up to six deprivations linked to risks posed by COVID-19



Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

Table 3: Percentage distribution of types of households with health and economic vulnerabilities that present up to 6 deprivations linked to risks posed by COVID-19

Number of deprivations	Households at risk from deprivations COVID-19	Households at risk from deprivations + households headed by women	Households at risk from deprivations + dependent persons 60+	Households at risk from deprivations + multidimensional poverty	Households at risk from deprivations + dependence on remittances (1/3>)
1	15.0 %	17.0%	16.9 %	0.4 %	21.9 %
2	29.9 %	32.8%	34.1 %	5.1 %	34.1 %
3	24.3 %	24.3%	24.0 %	20.6 %	24.4 %
4	19.5 %	16.5%	16.8 %	41.8 %	13.3 %
5	10.5 %	8.6%	7.5 %	29.7 %	5.8 %
6	0.8 %	0.7%	0.7 %	2.3 %	0.4 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: own elaboration based on EHPM 2018 (Minec-Digestyc, 2019).

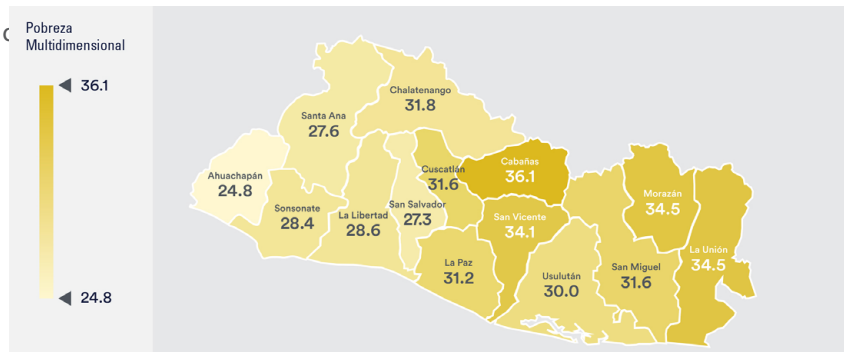
In all groups identified – with the exception of those dependent on remittances - there are several thousand households. It is acknowledged that the vulnerability characteristics indicated may overlap, but as they are combined, the potential number of households is reduced and a micro-focus is created that can be difficult to identify



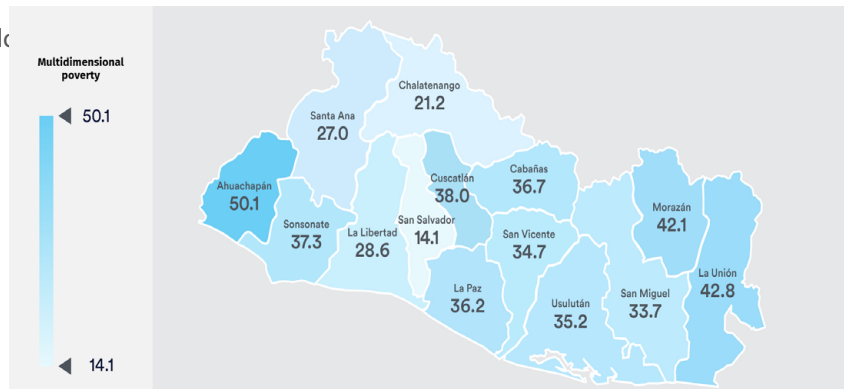
even in a country as small as El Salvador. For demonstration purposes, Annex 1 presents the results of these characteristics for those who wish to study it further.

Knowing this group of households, the question arises: How are these identified profiles achieved? Based on the characteristics indicated for the six groups, they are each identified and the percentage of households by department that meets these characteristics calculated. The results show that in some cases the differences by groups between departments are higher than in others. The most obvious differences are found in multidimensional poor and remittance-dependent households. The smallest differences are found in single-parent households headed by women; and, in those with members older than 60 years of age. The following maps present the departmental incidence for each group.

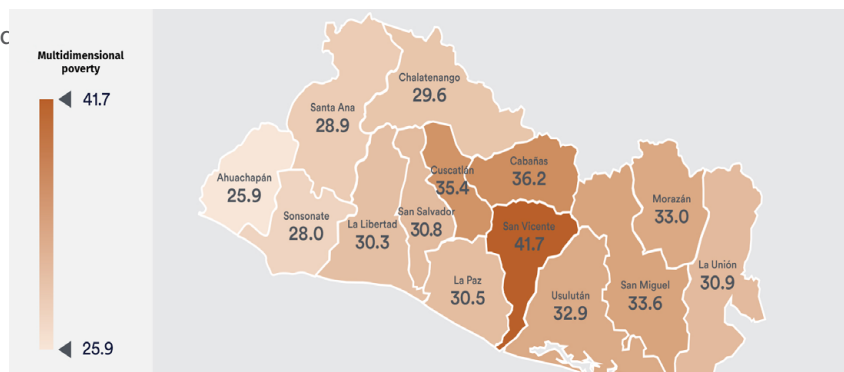
Map 2. Household Multidimensional poverty incidence at the departmental level for 2018



Map 3. Household Multidimensional poverty incidence at the departmental level for 2018

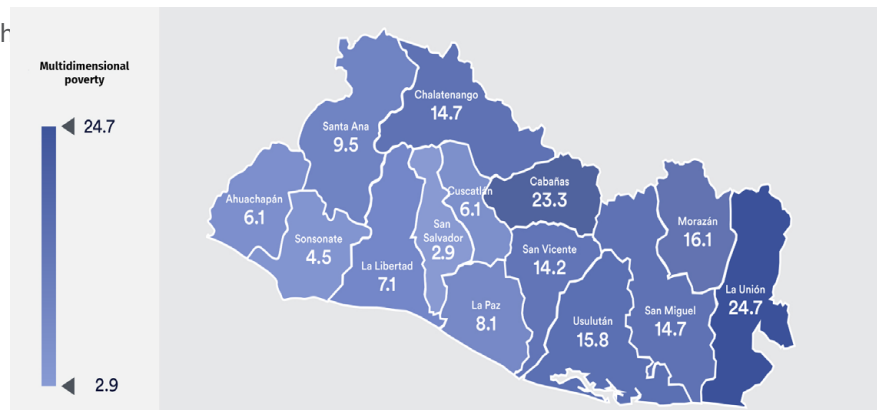


Map 4. Household Multidimensional poverty incidence at the departmental level for 2018





Map 5. Household



total level for 2018

4. Recommendations

The priority when dealing with the COVID-19 pandemic must be to save lives by controlling the epidemiological curve in order to "flatten" the contagion curve. However, this decision **carries** the economic cost of paralysing productive activity, which **generates** a recession in the economy. Identification of households is intended to be a tool for identifying populations that are vulnerable to COVID-19; and, for the formulation of policy responses that especially address those points that make them vulnerable.

In order to address this vulnerability, it is important to bear in mind two relevant aspects for the development of public policy responses. The first is that the aforementioned deprivations have a structural nature, which implies that, despite the huge willingness to attend to and combat poverty, there are pre-existing conditions of infrastructure, resources, institutional capacity and/or technology that constrain the possibility of immediate responses. Although deprivations are intended to be resolved immediately, they involve intrinsic processes that delay immediate responses; a specific example occurs in access to sanitation that requires infrastructure.

The second relevant aspect is also a structural element, but more cyclical: the fiscal space available to offer policy responses, since this largely determines the type and scope that they may have. El Salvador faces the emergency of COVID-19 with pre-existing conditions of high public indebtedness and chronic fiscal deficits, since before the crisis, it already reported a level of public debt close to 70% of GDP and a global deficit noticeably affected by interest spending (IMF, 2019). At the end of 2019, the GDP debt level was 71.8% and depending on the magnitude and duration of the economic crisis, it is estimated that the percentage could increase between 10 and 15 percentage points.

To deal with the pandemic, the Legislature authorised the search for up to 3 billion US dollars in financing. Among those resources, the request for emergency assistance of 389 million US dollars has already been approved through a rapid financing instrument of the International Monetary Fund (IMF). It is clear then that the magnitude of the economic slowdown and the fiscal impacts will be a challenge to address the response and to economic recovery.

In this context, it is important to bear in mind that the deprivation thresholds for the risks interconnected to the



COVID-19 epidemic allow us to understand the reference value that explains whether or not a person or household is facing the indicated deficiency (see table 3). Remembering the thresholds is relevant to reaffirm that structural measures are required, but the pandemic also requires immediate measures to be taken to respond to the crisis from the perspective of multidimensional poverty care. In this regard, this analysis will classify immediate and early policy responses, which include medium-term responses.

Table 3. Thresholds for calculating risk deprivations interconnected to the COVID-19 epidemic

Deprivation	Threshold
Drinking water	The household is deprived if you do not have access to drinking water within the land of your home or if you have a home connection, but you do not receive the service for more than a month.
Health services	The household is deprived if at least one person who required medical attention did not have access to care in the public system; or if the household, not having required medical attention if needed, did not go to the public system because it considered that there was no access to the service.
Overcrowding	The household is deprived if there are three or more people per bedroom.
Sanitation	The household is deprived if it does not have access to the sanitary service connected to the sewage network or septic tank, or if the sanitary service is shared and owned by another household.
Social security	The household is deprived if at least one actively employed person is not a beneficiary or contributor to health insurance.
Underemployment	The home is deprived if at least one person is underemployed by time or income, or has an unstable job, in which there are periods of forced inactivity of more than one month per year.

Source: STPP and Minec-Digestyc (2015).

Another relevant element for this analysis and frequently pointed out at this point is that the pandemic requires a containment policy to flatten the epidemic curve; as well as economic measures to reduce the recession curve (Baldwin and di Maduro, 2020). In other words, joint management of health and economic responses. Therefore the great challenge is to "flatten" the two curves: the epidemiological and the economic recession curves. Within this framework, there is debate as to whether or not there is a dilemma between saving lives or saving jobs and livelihoods. The control of the epidemiological curve is undoubtedly a necessary condition to "save the economy"; and it should not be seen as a dilemma.

The recommendations in this document combine the elements indicated with the deprivations interconnected to risks posed by the COVID-19 epidemic. Therefore, measures of a sanitary and economic nature are proposed, which must consider two types of temporality: some of an immediate nature and others of an early recovery, to be implemented after overcoming the sanitary confinement measures. This second group of measures has been called "**resilience baskets**", referring to public policies focused on labour market response, social protection, provision of basic services, care systems, access to physical and financial assets to protect people in a vulnerable condition from COVID-19.

The combination of the nature of the responses and the temporality with the deprivations lead to the recommendations presented below. Sanitary measures include responses to address deprivations from access to drinking water, access to health services, overcrowding and sanitation. Sanitary responses must be considered a priority for the emergency, since access to drinking water is essential for the prevention of the contagion and should, therefore, be prioritised over the rest. The same can be said about access to health services that are essential in the



ment of potential contagion. Economic measures include those that address underemployment and social security (see figure 1).

Figure 1. Classification



Table 4 shows the summary of immediate responses for each of the deprivations. Among the priorities related to drinking water are: mapping and identifying the communities most affected by irregular access to water; establish supply plans in vulnerable communities, which can be coordinated with local stakeholders; the installation of portable hand washing areas for small groups of families; and organisation of awareness-raising campaigns on joint responsibility for water transport.

In the deprivation of health services, a proposal was made to formulate logistics planning according to potential epidemiological scenarios for each region. This means anticipating the potential demand of the departmental and regional hospitals, to evaluate logistical elements for the transportation, mobility and planning of the supply of supplies; all of them critical elements to give an adequate response. There is also a proposal to cooperate with local governments in making a rapid identification of vulnerable populations by municipalities, especially those aged 60 and over. This could be based on the Community and Specialised Health Community Teams (ECOS) strategy. Finally, it is necessary to have information campaigns on points that offer health services, as the deprivation of this implies that there is no access to the service.

It is acknowledged that overcrowding and sanitary deprivations correspond to the dimensions of habitat quality and basic services, respectively; however, in this analysis, both are considered health risk factors. They are therefore included as health responses. Overcrowding and lack of sanitation can lead to contagion as noted by the World Health Organization.

In anticipation of overcrowding being a risk factor as well as the possibility that suburban neighbourhoods are at risk of contagion, it is necessary that the planning and authorisation of temporary containment centres provide solutions for the population living in these conditions for the sake of stopping the contagion. This planning also involves rapid identification of vulnerable populations. Both proposals can be made through voluntary registrations, on electronic georeferenced platforms, in collaboration with local governments. With this registration, basic needs for food or other supplies can also be identified.

In the deprivation of social security two types of measures are contemplated, one for those without access to social security and others for those who have or have had access in the last 24 months. In the first group, consideration should be given to the implementation, in the short term, of social security benefits for sons and daughters of affiliated persons under 18 years of age, and guarantee basic care for a beneficiary (spouse, father, mother, etc.) of an active contributor. The second group involves guaranteeing care for those with contributions in the last 24



months, but who have suspended their contribution; and for those who lose their jobs due to the crisis, benefits must be guaranteed for at least the next twelve months.

Immediate economic responses include initiatives that are already being promoted, but that can be perfected. To address underemployment, and especially loss of income due to confinement, it is necessary to provide cash transfers and subsidies that allow the family to have a subsistence income. Other in-kind assistance, such as food, medicine or other basic products, should also be considered. In order to avoid crowds and increase the risk of exposure, a proposal has also been made to promote financial insertion measures through money orders at ATMs and other electronic payment methods⁷.

Table 4. Proposal for an immediate response to deprivations interconnected to COVID-19

Response	Deprivation	Immediate responses
Sanitary	Drinking water	<ul style="list-style-type: none"> ▪ Mapping and identification of communities most affected by irregular access to water ▪ Provisioning plans in vulnerable communities. ▪ Installation of portable hand washing areas for small groups of families. ▪ Awareness campaigns on co-responsibility for water transport.
	Health services	<ul style="list-style-type: none"> ▪ Logistics planning according to regional epidemiological scenarios. ▪ Rapid identification of vulnerable populations by municipalities (60 and over). ▪ Information campaigns on access to health services. ▪ Food baskets.
	Overcrowding	<ul style="list-style-type: none"> ▪ Identification of vulnerable populations. ▪ Planning and empowerment of voluntary containment centres.
	Sanitation	<ul style="list-style-type: none"> ▪ Distribution of palliative supplies such as chlorine, alcohol gel.
Económica	Social security	<ul style="list-style-type: none"> ▪ Implement benefits for under 18-year-olds. ▪ Guarantee basic care for relatives of contributors. ▪ Guarantee stability against job losses for six months. ▪ Provide benefits for the population with contributions in the last 24 months.
	Underemployment	<ul style="list-style-type: none"> ▪ Subsidy and cash transfers. ▪ Aid in kind (food, medicines, cleaning supplies). ▪ Financial insertion and bank withdrawal options without an account.

Source: UNDP, 2020.

Previous reports on human development have indicated that the extent to which adverse events reduce human development depends on the ability of people to deal with adversities. This ability has been called resilience capacity or human resilience (UNDP, 2014; UNDP 2018). Resilience depends largely on people's individual characteristics, but also on their social and community context. This perspective that allows individual, family and community characteristics to be analysed is useful to develop a vulnerability analysis. Consequently, the second group of measures aimed at addressing an early recovery are the so-called resilience baskets, referring to multidimensional subsets of policy responses that help overcome the adversity or shock generated by the pandemic (UNDP, 2015).

In all, five types of resilience baskets are identified, which can be adapted from a minimum to be expanded or reduced depending on available resources and household needs. These baskets are:

1. Care basket: it includes adapting public and private community care services with those for households with an older adult population and minors; and, the promotion of co-responsibility for care where there are two-parent homes, in order to avoid overloading women.

⁷ See www.ar.undp.org/content/argentina/es/home/presscenter/articles/2020/platasincuenta.htm



2. Food basket: it includes the provision of food baskets or supermarket vouchers⁸ for the population. This should include particular dietary needs for children and the elderly. Food baskets can be delivered in a traditional or innovative way, such as via codes (QR codes or number chains) sent by cell phone that serve as food vouchers. This initiative can be accompanied by information campaigns for the protection of mental health and the prevention of domestic violence.

3. Income basket: it includes the purchase of small-scale crop or livestock production for small producers (rural); universal basic pension for households with older adults or in conditions of monetary poverty; employment-intensive investment programmes (ILO methodology) linking local demand and supply of services, especially in the early recovery stage; and strengthening capacities and resources directed at informal self-employed workers.

4. Temporary job basket: these are public employment and prompt training programmes (they include payment for days of care for the elderly, combined with basket 1, in the early recovery stage). In a second phase of the relaxation of the measures to contain the epidemic, they can include "green" employment, for example: reforestation of basins, cleaning of rivers, beaches, etc.

5. Non-contributory social security basket: temporary suspension of payment for basic services (access to basic services without contribution-payment); universal basic pension; strengthening timely non-contributory health-care through community programmes (such as the FOCOS programme).

These five baskets could be distributed among the four groups of households establishing allocation mechanisms. Table 5 shows the distribution proposal.

Table 5. Resilience baskets according to household groups

Households headed by women	Households containing older adults	Households in multidimensional poverty	Households highly dependent on remittances
<ul style="list-style-type: none"> ▪ Care basket. ▪ Food basket. ▪ Income basket. ▪ Temporary job basket. 	<ul style="list-style-type: none"> ▪ Care basket. ▪ Food basket. ▪ Income basket. ▪ Non-contributory social security basket. 	<ul style="list-style-type: none"> ▪ Food basket. ▪ Income basket. ▪ Temporary job basket. 	<ul style="list-style-type: none"> ▪ Income basket. ▪ Temporary job basket.

In short, the multidimensional poverty tool shows the pre-existing conditions of poverty, which allows identification of the most vulnerable households against COVID-19. Thus, public policy is based on empirical evidence to design a targeted response, and adjusted to vulnerability conditions for different types of households. As such, it contributes to a more effective use of resources to save lives and protect livelihoods for the population in El Salvador.

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⁸ The World Food Program (WFP) is using this modality under the principle of respect for dignity, instead of uniform basic baskets.



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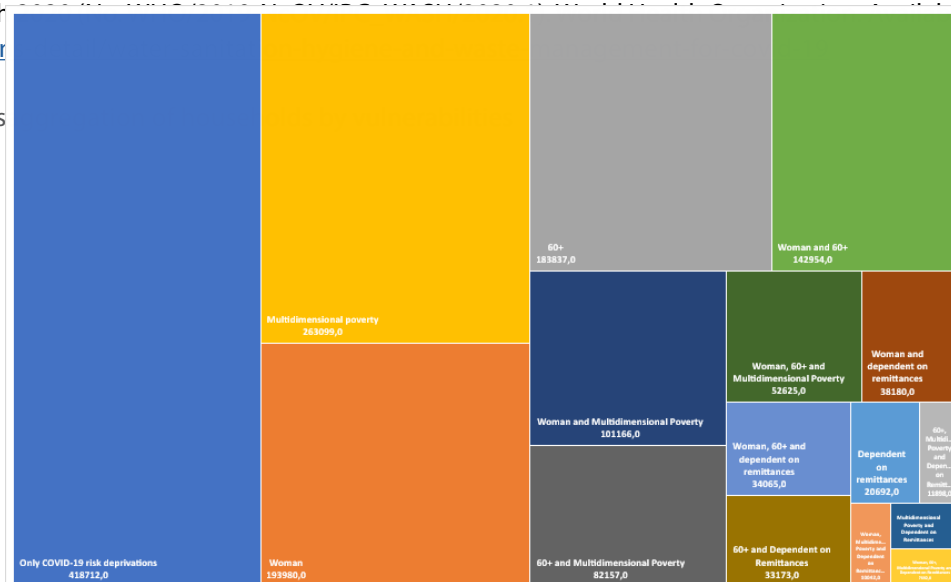
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Annex 1. Dis





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