


Effects of the Covid-19 Pandemic on the Colombian Labor Market: Disentangling the Effect of Sector-Specific Mobility Restrictions: Comments

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Highlights

- Covid-19 (lockdown)  Colombian labor market
- Restrictions to mobility at the national level 03/25/2020
 - Essential vs. no essential sectors
- Data: Colombian National Household Survey
 - Monthly
 - Representative 23 cities
 - Aggregated employment in two categories by 2-digit ISIC, 23 cities + rest
 - Data is smoothed MA 2 months
- Diff-in-Diff
 - Treatment: Nonessential
 - Control: Essential
- Findings
 - 13.9% additional jobs loss in the nonexcluded relative to the excluded sectors. 25% of total employment loss
 - No significant results in hours worked and wages

Comments

- What strategies implemented DANE to collect data?
- Common trends assumption as identification requirement, necessary but not sufficient
- Figure 7: The previous shock period is too short to see if there is a common trend
- There may be lagged effect on the control group
- Time series world. High R^2
- Main challenge: confounding between lockdown and demand fall
- IV alternatives? Other controls? (structure of employment before pandemic, proximity index, home office possibility)
- Self-employed may be the first to report being nonemployed

Conclusions

- Nice paper, very timely
- The effects of Covid-19 and policy response present a particular challenge
 - Multisource shock/Many transmission mechanisms
 - Agent response is generalized
 - Lack of information
 - Policy is implemented at the national level
- Not much time from the shock to implement sophisticated methods
- We do what we can with the data we have access to
- Other sources of data
- Clustering by industry