

Tokelau SEIA: Household Survey

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Contents

1 Socio Economic Impact Assessment (SEIA) of COVID-19 Lockdown in Tokelau (Draft Report)	2
1.1 Introduction	2
1.2 Methodology of the survey	2
2 Impact of COVID-19 Lockdown on Households	3
2.1 Demographic structure of the sample	3
2.2 Economic Impact since COVID-19 Lockdown	5
2.3 Health Impact since COVID-19 Lockdown	13
2.4 Education impact of COVID-19. Questions for youth	20
2.5 UNDP Assistance	24
2.6 Main Findings and Conclusions	27
3 Impact of COVID-19 Lockdown on Business	29
3.1 Background information on Business activity	29
3.2 Assessing COVID-19 lockdown impact on business operations	32
3.3 The risks and opportunities of the post COVID-19 period	35
3.4 Awareness, accessibility and relevance of government initiatives	38
3.5 Main Findings and Conclusions	40
4 Annexes	41

1 Socio Economic Impact Assessment (SEIA) of COVID-19 Lockdown in Tokelau (Draft Report)

1.1 Introduction

The coronavirus disease (COVID-19) was first reported in Wuhan, China, and has spread to many countries globally. In addition to being a health pandemic, COVID-19 has huge economic and social consequences for many countries. As health organizations around the world endeavor to learn more about the novel virus and its transmission, local governments and international organizations have taken unprecedented measures to limit its evolving spread. Although Tokelau has not recorded a single case of the coronavirus, the Tokelau Government has imposed a stringent lockdown and declared drastic border control as precautionary efforts towards prevention and containment of COVID-19. These measures are expected to have negative effects on the economic and social development of Tokelau. To assess the effects of lockdown a Fieldwork Survey was conducted in November 2020 in all three atolls of Tokelau including both household and business sectors.

1.2 Methodology of the survey

Target population

Target population of the survey covers all households and private businesses of Tokelau from all atolls.

Sample of surveys

Taking into account that Tokelau is a very small country with about 1600 population (approximately 300 households) and 30 small and medium firms, it was decided to conduct census targeting all households and businesses across three atolls (Atafu, Fakaofu, Nukunonu).

Questionnaire of surveys

Two questionnaires were developed for the household and business surveys in close collaboration with UNDP, UNFPA and Tokelau Government teams. The questionnaires included general demographic questions about households and businesses and questions related to the impact of COVID-19 lockdown on the different aspects of life of households and businesses. The questionnaires are provided in the appendix of the report.

Sample unit

In each household a respondent (above 18 years old) is chosen randomly using the approach of nearest birthday. This approach ensures more or less proportional coverage of respondents by gender and age groups. The sample unit of the business survey is owner of the firm or an employee, who is familiar with current development of the firm.

Recruitment and training of enumerators

The Government of Tokelau in collaboration with authorities of all three atolls recruited 10 enumerators (including one supervisor) from each atoll. The consultant created video tutorials for both survey questionnaires, to train enumerators on understanding the instructions for conducting interviews. These tutorials were provided to enumerators for reviewing.

Data collection and data entry

The data collection was via face-to-face interviews. The data entry was conducted by the Tokelau Government team and the final database was created in excel format.

Data Analysis

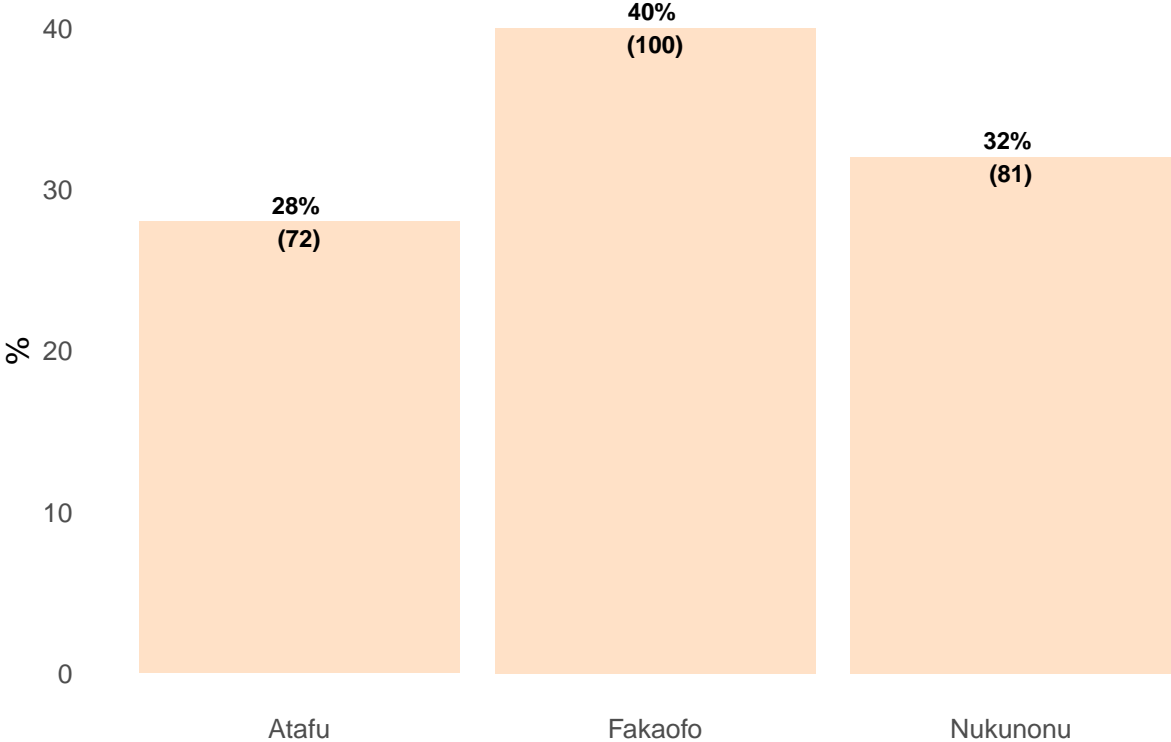
A univariate and bivariate statistical analysis is conducted to summarize the responses of main variables of both studies. The results are presented by with tables and charts.

2 Impact of COVID-19 Lockdown on Households

2.1 Demographic structure of the sample

Overall 254 households were surveyed across three atolls during the survey. According to the below plot 40% of respondents are from Fakaofu, 32% from Nukunonu and 28% from Atafu¹

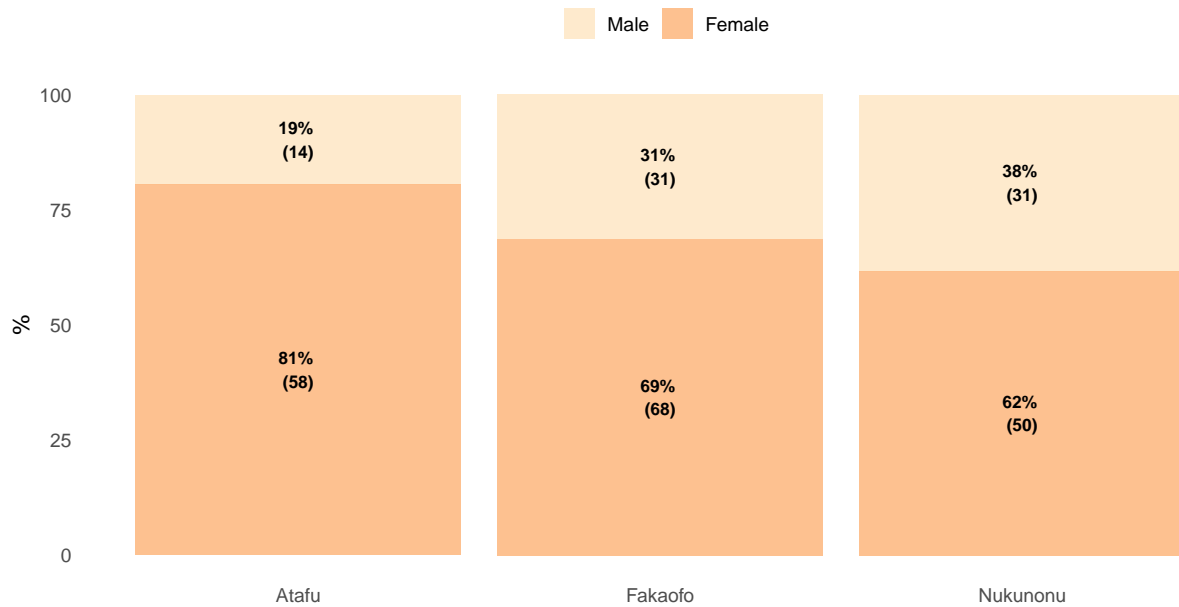
Fig. 2.1: Distribution of respondents by atolls



The database of the survey shows that the share of female respondents vary from 62% to 81% across atolls, which is higher compared to overall gender structure of population for Tokelau. During the survey an individual demographic information was collected not only about respondents but also about all members of households. Overall there were 1285 people in all 254 households, with an almost evenly distributed number of males and females across atolls (see Annex 1).

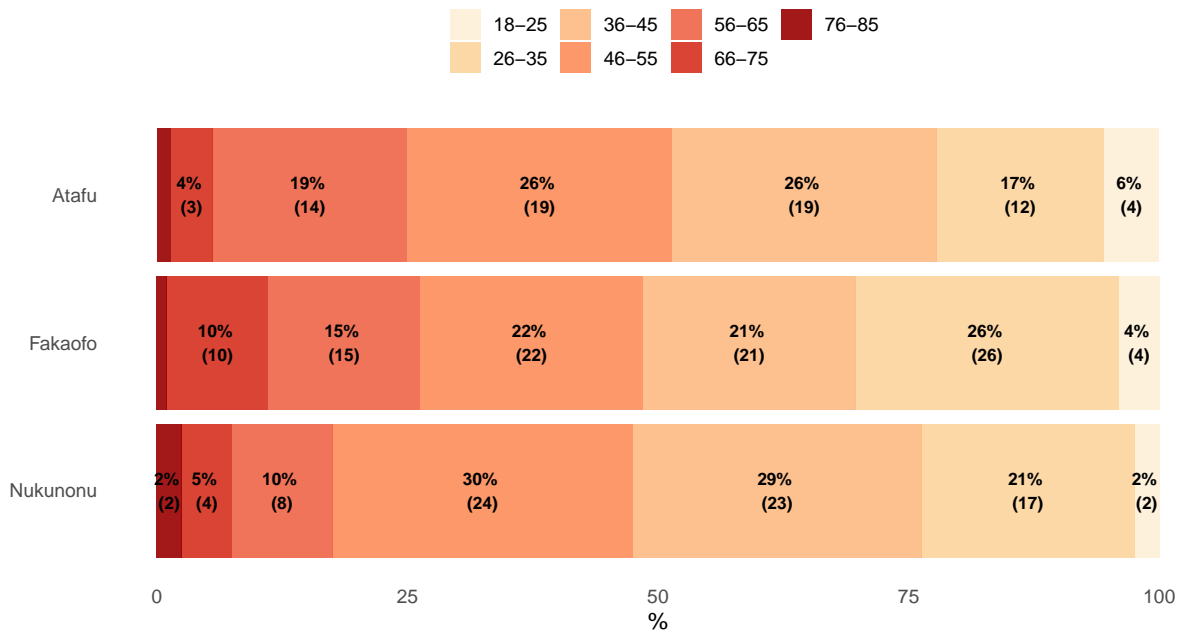
¹It should be noted that overall 97 and 88 households are approached during the survey in Atafu and Nukunonu respectively, however for 26 and 8 of them interviews are not conducted (most of them were not at home, and some of them didn't want to participate in the survey). So the non-response rate (NRR) is 26% in Atafu and 8% in Nukunonu. NRR of Fakaofu is 0%.

Fig. 2.2: The distribution of respondents' gender by atolls



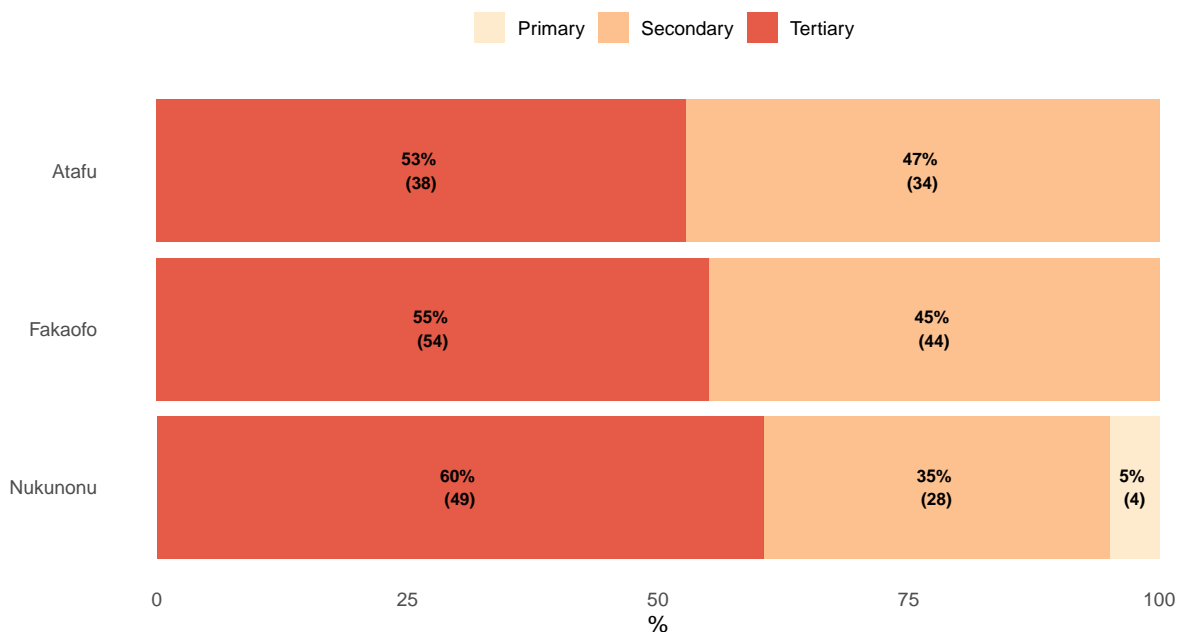
The analysis of the composition of respondents by age shows that more than 80% of respondents are 26-65 years old. The proportion of young respondents (18-25 years old) is very small (only 10 youth respondents were surveyed), which should be considered when interpreting the youth related questions of the study. According to age structure of household members, about 26% of people in Tokelau HHs are in the 18-25 years old age bracket (see Annex 2).

Fig. 2.3: The distribution of respondents' age by atolls



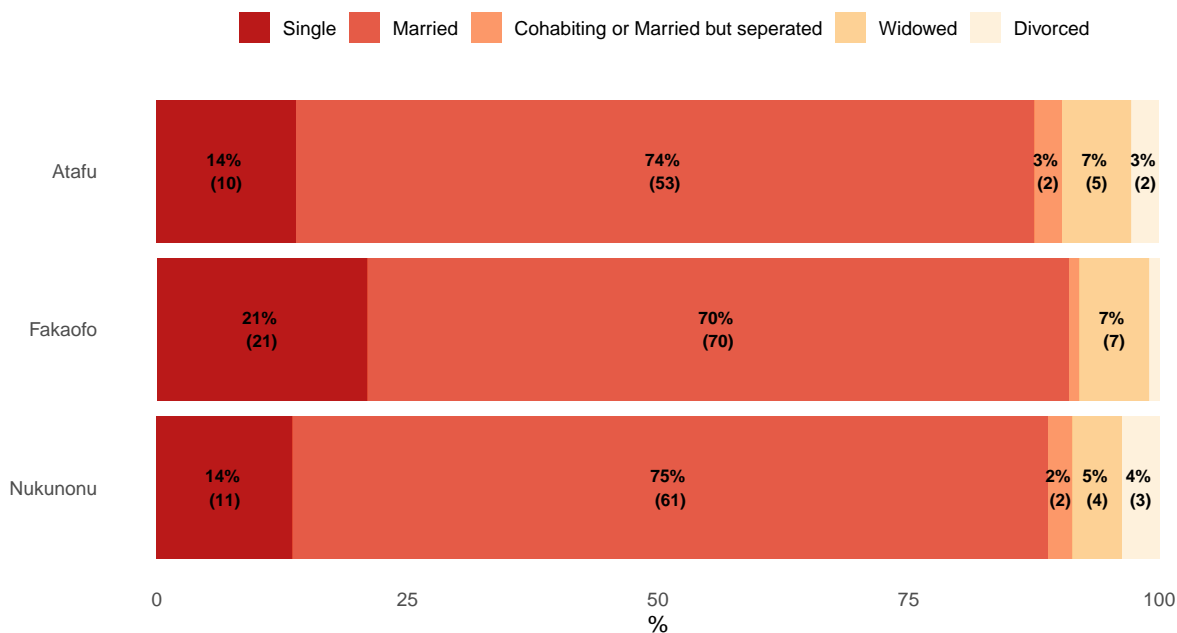
Almost all respondents attained secondary or tertiary education. Sixty percent of Nukunonu's respondents have tertiary education. This indicator is slightly lower in Atafu (53%) and Fakaofu (55%).

Fig. 2.4: The distribution of the respondents' level of education by atolls



More than 70% of respondents are married in all atolls compared to 14%-21% of single respondents. The share of widowed and divorced respondents is very small (less than 10% across atolls).

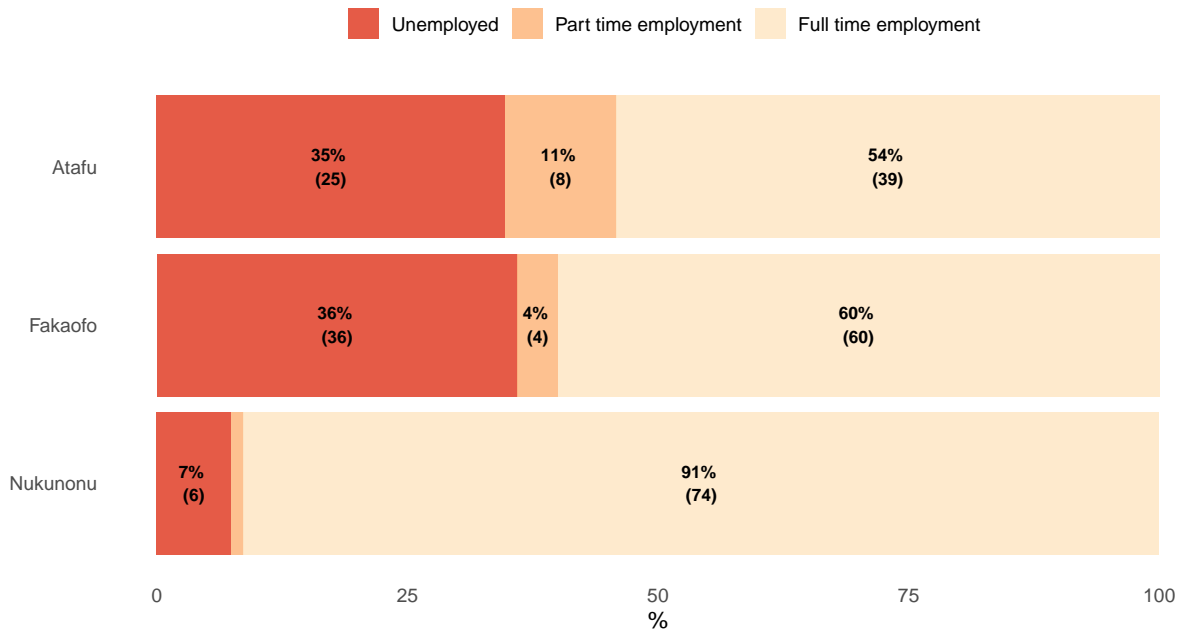
Fig. 2.5: The distribution of the respondents' marital status by atolls



2.2 Economic Impact since COVID-19 Lockdown

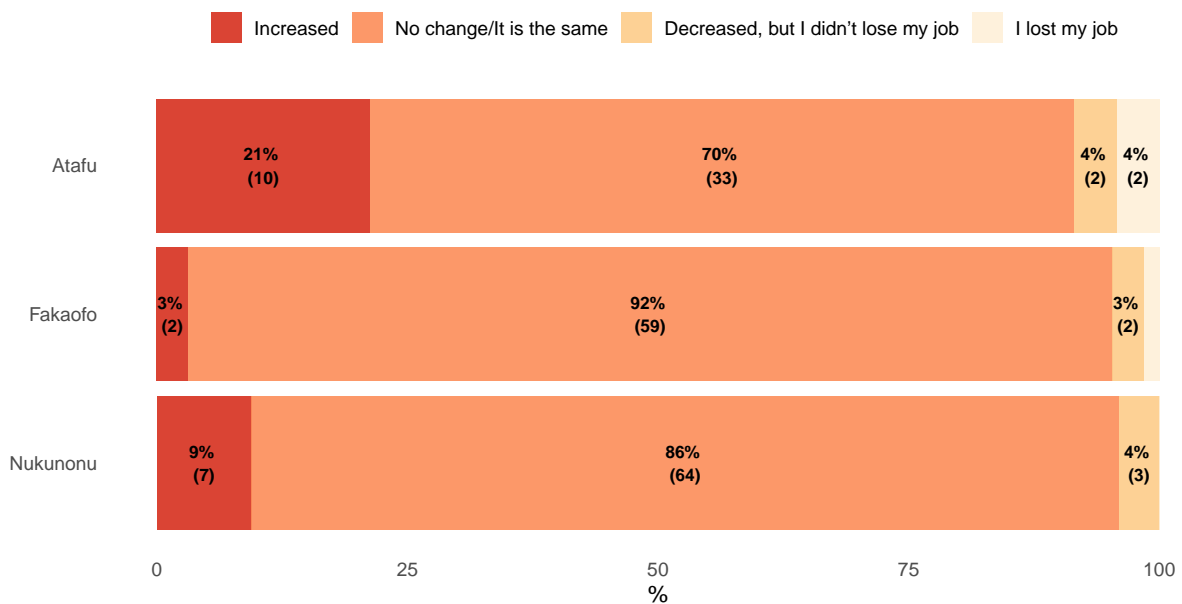
According to the survey, the share of full time employed respondents was more than 91% in Nukunonu before the COVID-19 lockdown compared to 54% in Atafu and 60% in Fakaofu. In Atafu and Fakaofu about 35% of respondents were unemployed. This rate is only 7% in Nukunonu.

Fig. 2.6: Employment status of respondents by atolls



The effect of COVID-19 lockdown on employment of people in Tokelau is measured by investigating the change of number of hours people devote to paid work after restrictions of lockdown. As it is shown in below figure, for the major part of employed people (70% in Atafu, 92% in Fakaofu and 86% in Nukunonu) no change was observed in working time. In Atafu and Nukunonu 9% and 21% of respondents respectively declared an increase of working time. At the same time only very few respondents mentioned reduction in their working hours or job losses. In summary, there was very little negative effect of lockdown on employment in Tokelau.

Fig. 2.7: Since COVID-19 Lockdown, changes in the number of hours devoted to paid work by atolls



Another possible effect of COVID-19 lockdown restrictions on employed people is whether they were imposed

to take a leave² and whether they were being paid for that leave. The results show that taking an imposed leave is not a common issue in Tokelau as 71-92% of respondents in all atolls didn't get a leave at all. A small part of respondents, who were imposed to take a leave argued that they were fully paid.

Table 1: Imposed to take a leave since COVID-19 Lockdown by atolls

Take a leave	Sample	Percentage
Atafu		
Yes, full paid leave	7	14.29
Yes, partially paid leave	3	6.12
Yes, un-paid leave	4	8.16
No, I did not take a leave	35	71.43
Fakaofu		
Yes, full paid leave	1	1.59
Yes, partially paid leave	2	3.17
Yes, un-paid leave	2	3.17
No, I did not take a leave	58	92.06
Nukunonu		
Yes, full paid leave	8	10.53
Yes, partially paid leave	3	3.95
No, I did not take a leave	65	85.53

As it is shown in below table, on average the wages have not changed in Tokelau after the restrictions of COVID-19 lockdown.

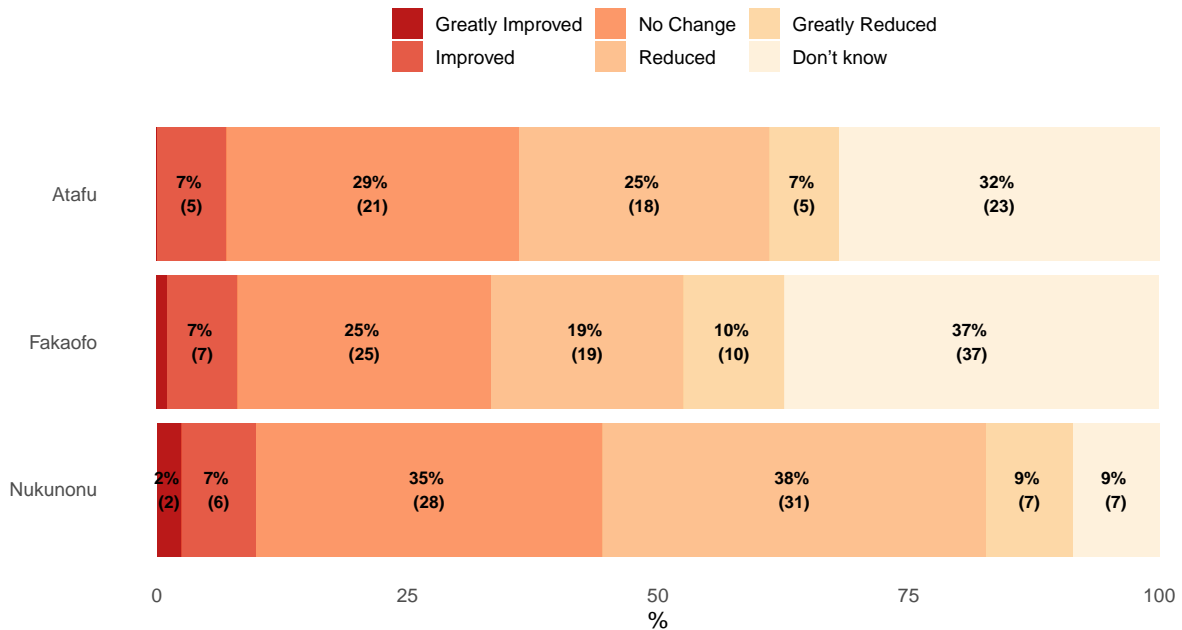
Table 2: Changes in wage since COVID-19 Lockdown by atolls

Change of Wage	Sample	Percentage
Atafu		
Increased	2	4
No change/It is the same	45	92
Decreased	2	4
Fakaofu		
No change/It is the same	57	100
Nukunonu		
Increased	1	1
No change/It is the same	74	96
Decreased	2	3

The change in accessing the markets (Apia and Auckland) can be affected by the lockdown restrictions. According to the results of the survey a reduction of market access was observed more on Nukunonu atoll compared to Atafu and Fakaofu. As depicted below in figure 2.8, it shows 47% of respondents of Nukunonu declared a reduction of the market access compared to about 30% of respondents of Atafu and Fakaofu. It is worth mentioning that more than 30% of Atafu and Fakaofu respondents couldn't answer this question compared to only 9% in Nukunonu.

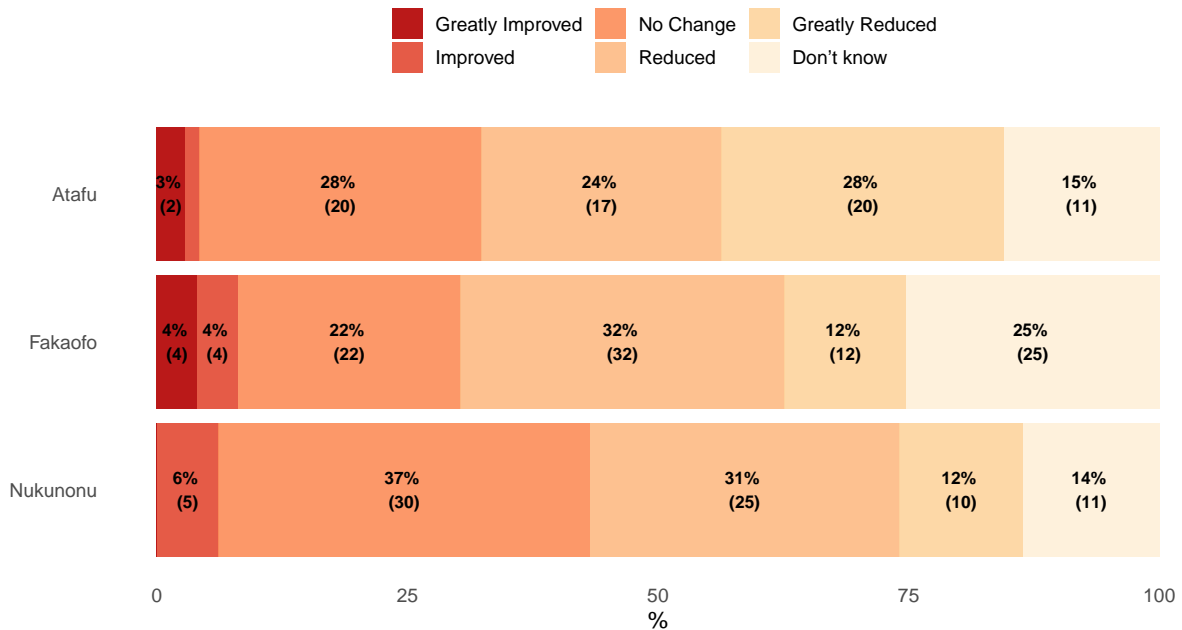
²“Taking an imposed leave” refers to people who are forced to take leave because of movement restrictions of COVID-19 lockdown.

Fig. 2.8: Access to market (Apia and Auckland) since COVID-19 Lockdown by atolls



As Tokelau highly depends on imported goods it is very important to assess whether people encountered obstacles in accessing overseas markets or not. The results show that 50% or more of respondents declared a reduction (or great reduction) to the access of imported goods.

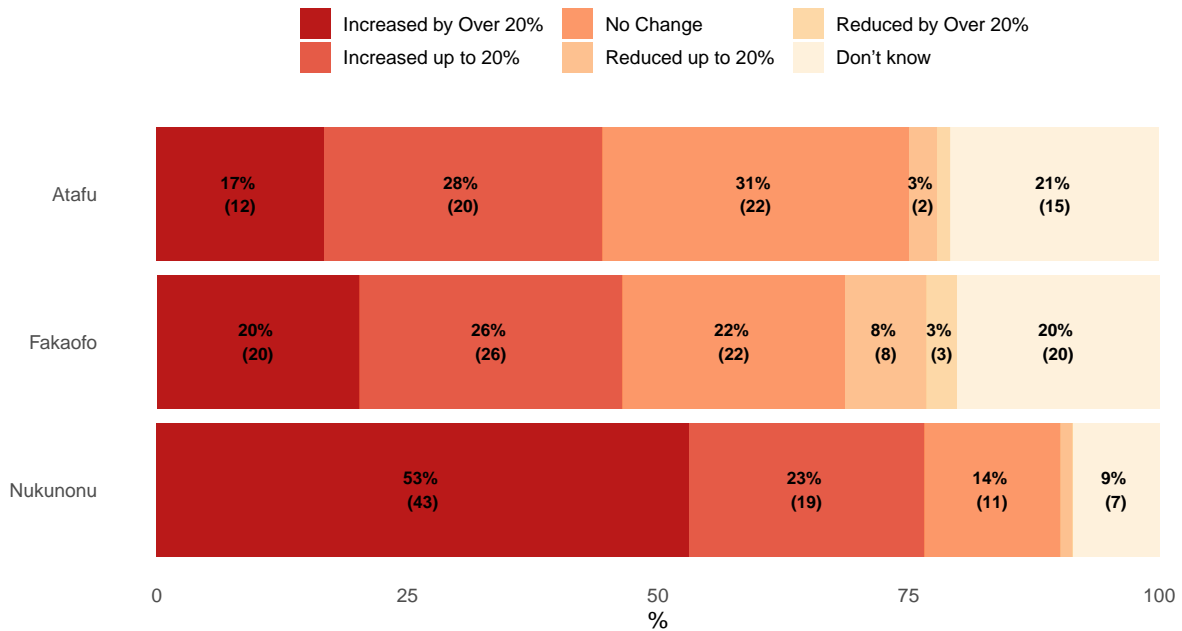
Fig. 2.9: Access to imported goods since COVID-19 Lockdown by atolls



The changes of access to local and imported goods markets can be linked to the change in prices. To assess this phenomenon people were asked to evaluate the change of prices in both markets. According to the survey results, 53% of Nukunonu's respondents mentioned over 20% increase of imported food prices and another 26% declared up to 20% increase of prices. In Atafu and Fakaofu very few of the respondents experienced increase in prices: 21-25% and 33-35% of respondents highlighted over 20% and up to 20% increase of prices

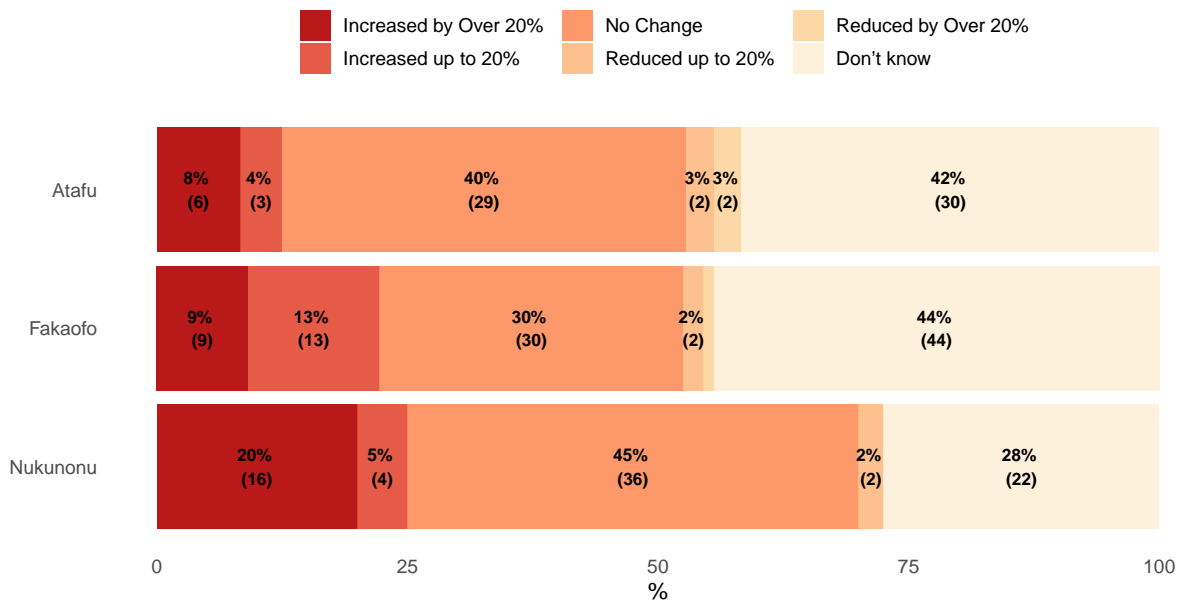
respectively.

Fig. 2.10: Changes to prices of imported food since COVID-19 Lockdown by atolls



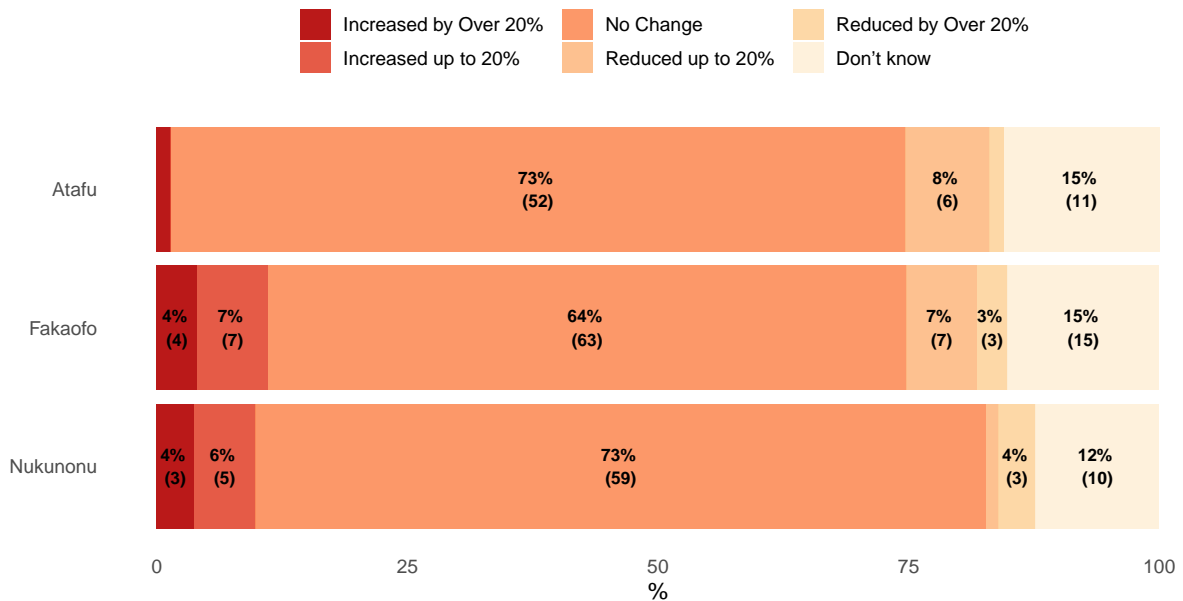
The change of local food prices is less obvious. Overall 12-25% of respondents in all three atolls mentioned increase of prices (up to 20% and over 20% increase).

Fig. 2.11: Changes to prices of local food (fish, taro etc.) since COVID-19 Lockdown by atolls



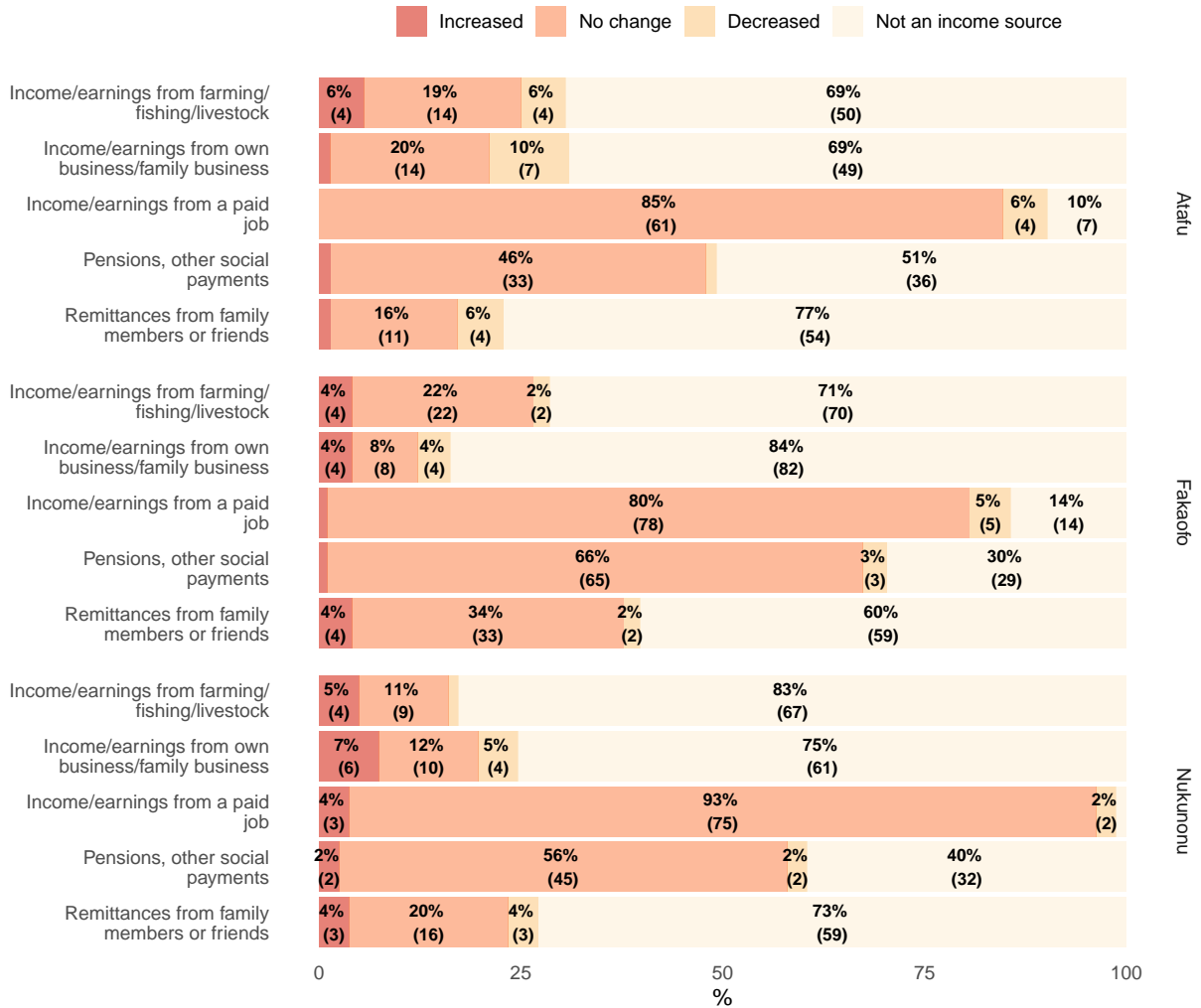
The analysis of the change of total income after the lockdown restriction didn't reveal obvious changes across atolls. The total income either decreased/increased only for a very small part of respondents (less than 10% of respondents).

Fig. 2.12: Changes of total income of household (including Remittance) since COVID-19 Lockdown by atolls



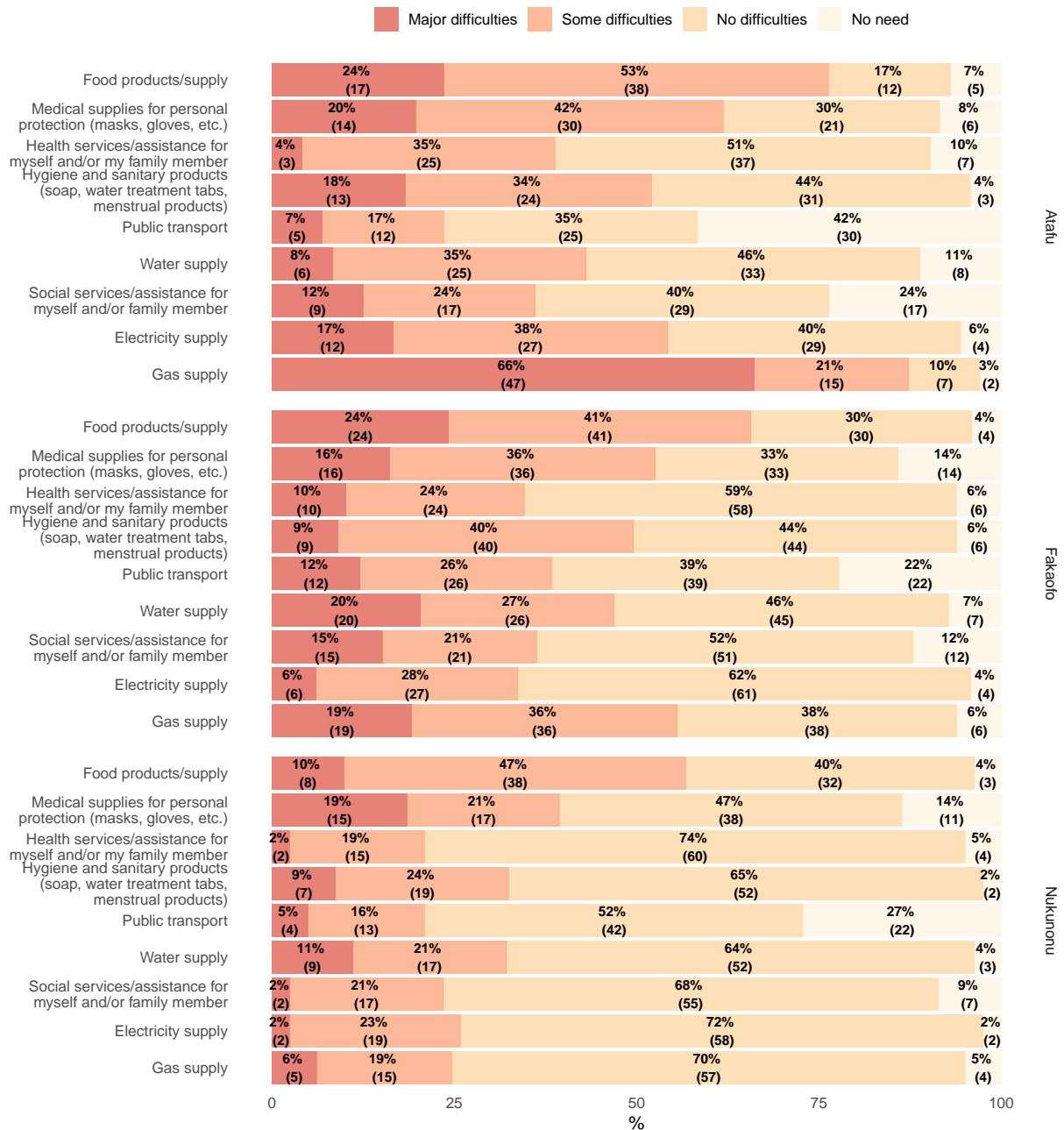
In addition to analyzing the change of the total income of people it is important to investigate possible shifts of different sources of income assuming that the lockdown can affect sources of income in different ways. The figure below presents the changes of income sources in all atolls after the lockdown restrictions. According to figure there are no incomes which were affected greatly because of lockdown. The main important conclusion which can be drawn from the figure is that the main source of income in Tokelau is income from a paid job (more than 86% of households in all three atolls have this type of income). The second popular income source is pensions and other social payments (it is a source of income for 50-70% of surveyed households).

Fig. 2.13: Changes in household income sources, since COVID-19 Lockdown by atolls



One of the main goals of the current study is the investigation of **the change of access to the basic services after** lockdown. As can be seen below in figure 12:14, the change of access to basic services differs significantly across atolls. Sixty six percent of Atafu’s respondents experiences major difficulties in gas supply. The second service, which is problematic in Atafu is food products supply: 77% of respondents experienced major or some difficulties; 50-60% of respondents had difficulty in accessing medical supplies for personal protection and hygiene and sanitary products. More than half of respondents experienced difficulties in accessing electricity supply. Access to food products supply is the most problematic service in Fakaofu: 65% of respondents experienced major or some difficulties. About 20% of respondents experienced major difficulties with water and gas supply. Like Atafu, around 50% of respondents have difficulty in accessing medical supplies for personal protection and hygiene and sanitary products. Compared to Atafu and Fakaofu the access to basic services was less difficult in Nukunonu. Food products and medical supplies can be considered the services most affected from the lockdown (57% and 40% of respondents experienced major or some problems from food and medical supplies).

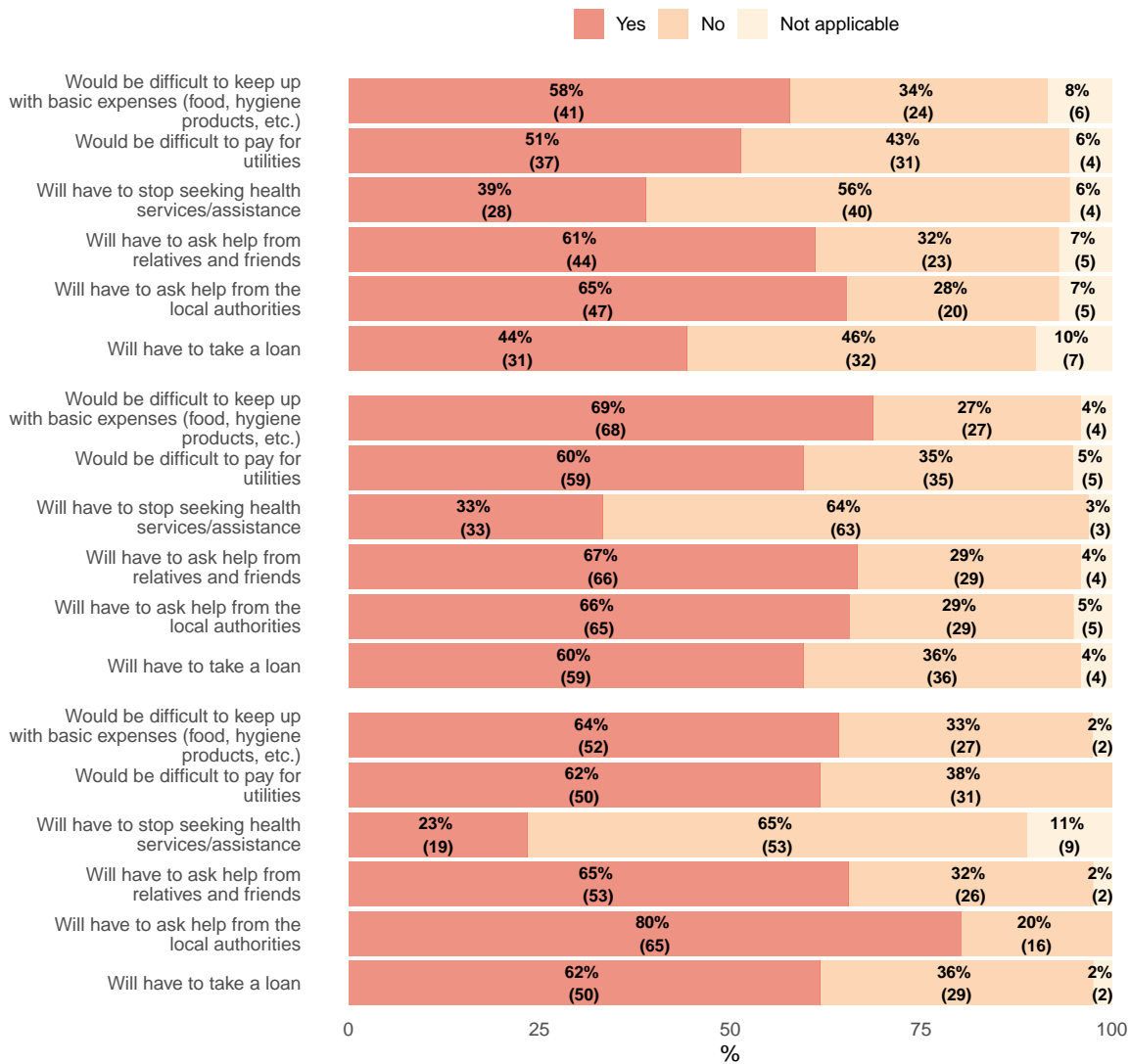
Fig. 2.14: Difficulties in accessing basic services, as a result of COVID-19 Lockdown by atolls



An important question of the current study is the **evaluation of the change of spending patterns/attitudes** of respondents if COVID-19 lockdown continues in the future (Fig 2.15). According to the data of the survey, respondents will most likely have problems keeping up with basic expenses (58-69% of respondents in all atolls). Paying for utilities can also cause difficulties in Tokelau (for 51-62% respondents in all atolls). About one third of respondents of Atafu and Fakaofu (39% and 33% respectively) would have to stop seeking health assistance because of financial situation related to the continuation of COVID-19 lockdown. This indicator is lower in Nukunonu (23%).

People in all atolls prefer to ask help from friends and local authorities rather than take a loan if the financial situation worsens as a result of pro-longed lockdowns.

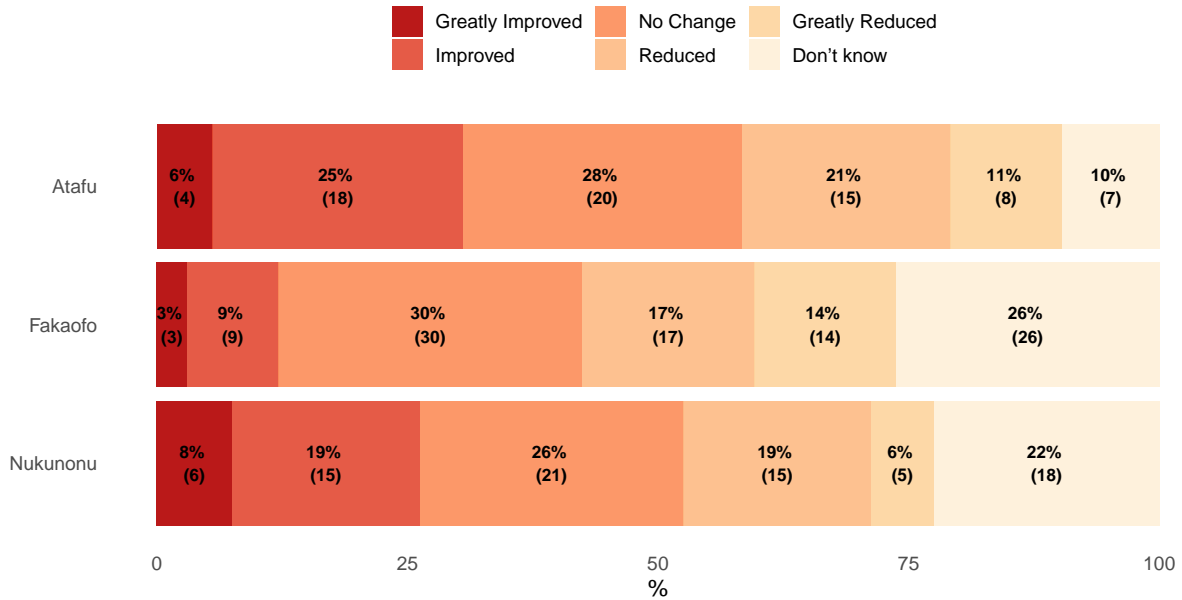
Fig. 2.15: Financial situation of households in case of COVID-19
Lockdown continuation by atolls



2.3 Health Impact since COVID-19 Lockdown

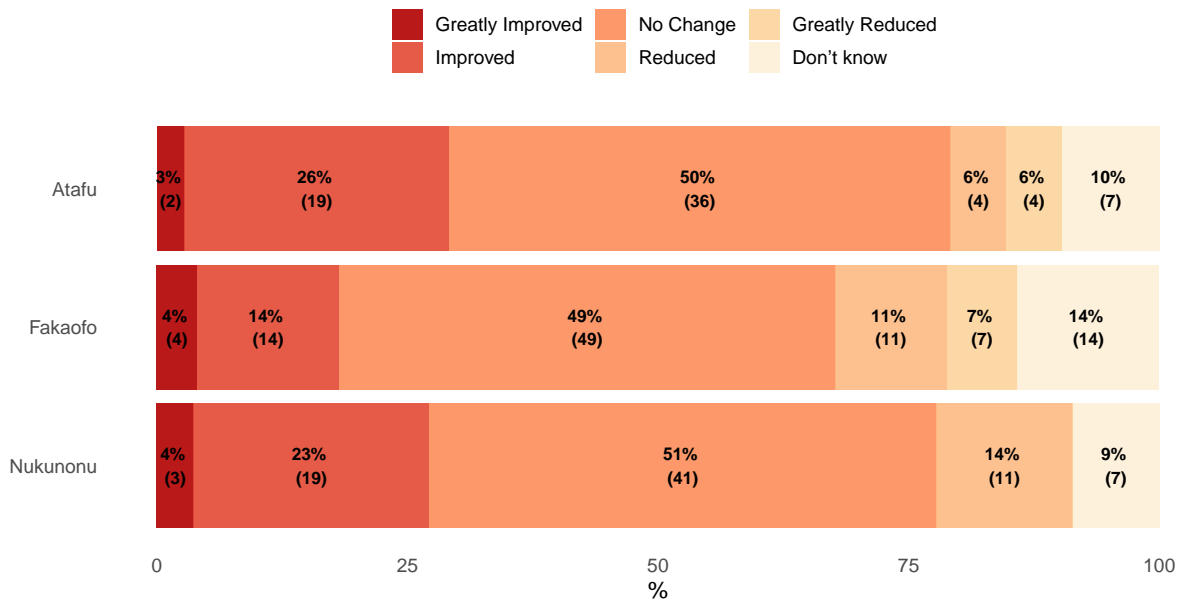
The Coronavirus pandemic is first of all a health care issue and thus to prevent its spread, the people of Tokelau should not have problems with access to health care services. People in Tokelau usually get medical assistance not only in Tokelau but also in New Zealand and Samoa. The results of the survey indicate that 28% and 26% of respondents from Atafu and Nukunonu, respectively, think that the access to medical assistance outside of Tokelau remained unchanged. More respondents in Fakaofu felt that access to medical assistance was reduced (31%) rather than improved (12%).

Fig. 2.16: Access to Medical Assistance outside Tokelau (NZ and Samoa) since COVID-19 Lockdown by atolls



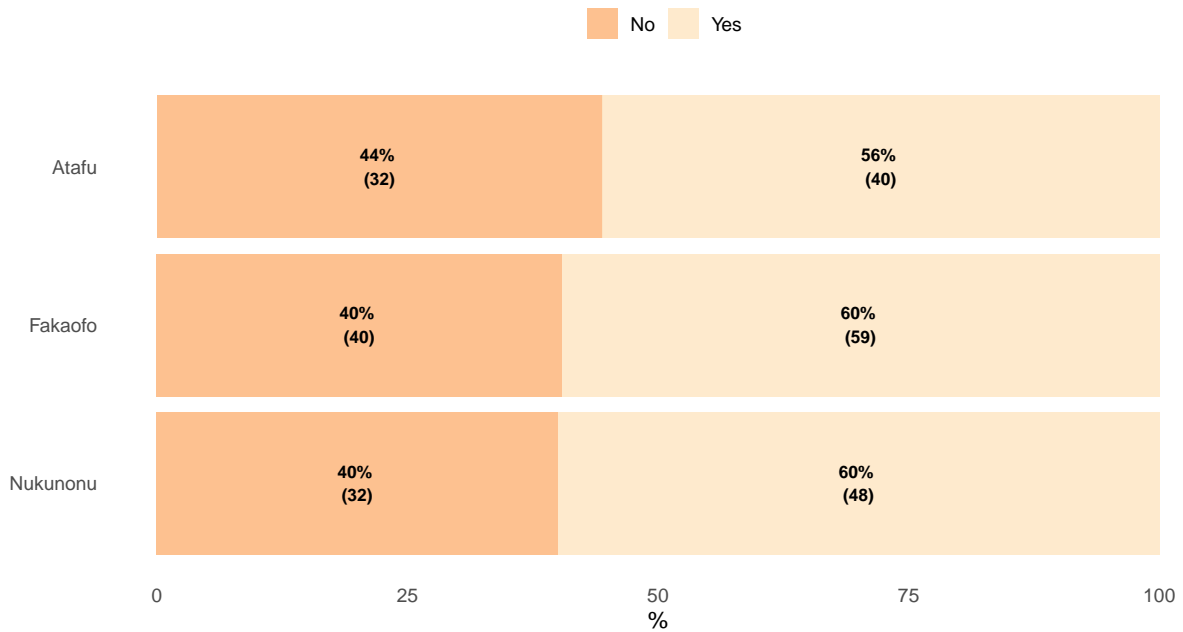
Almost similar situation was observed also with access to medical assistance within Tokelau. More people in Atafu and Nukunonu declared that the access is rather improved than reduced. However, the majority of Tokelau population did not observe much change in access to medical assistance within Tokelau.

Fig. 2.17: Access to Medical Assistance within Tokelau since COVID-19 Lockdown by atolls



The restrictions that the government of Tokelau implemented to prevent the spread of the pandemic in Tokelau can cause psychological or emotional issues for the people. The current research confirms this hypothesis by showing that about 60% of all respondents experienced psychological, mental or emotional issues after the lockdown.

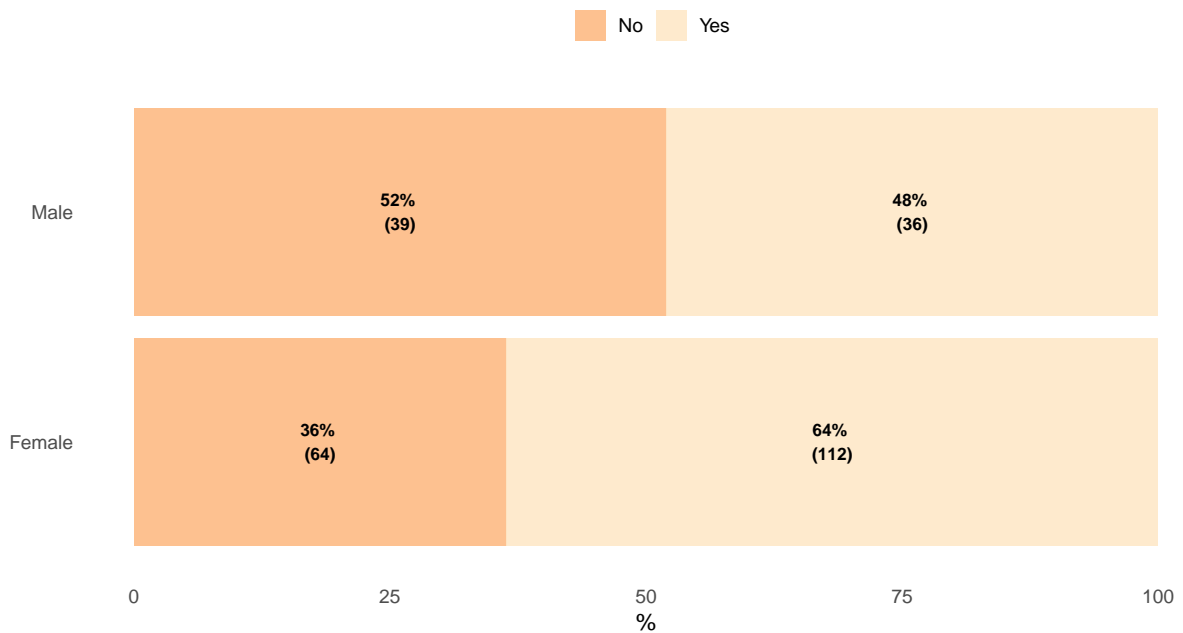
Fig. 2.18: Experiencing Psychological/Mental/Emotional health issues by atolls



The desegregation of the phenomenon of psychological issues by gender and marital status will allow to detect more vulnerable group of people, which can be targeted by the government and donor organizations for providing psychological support services.

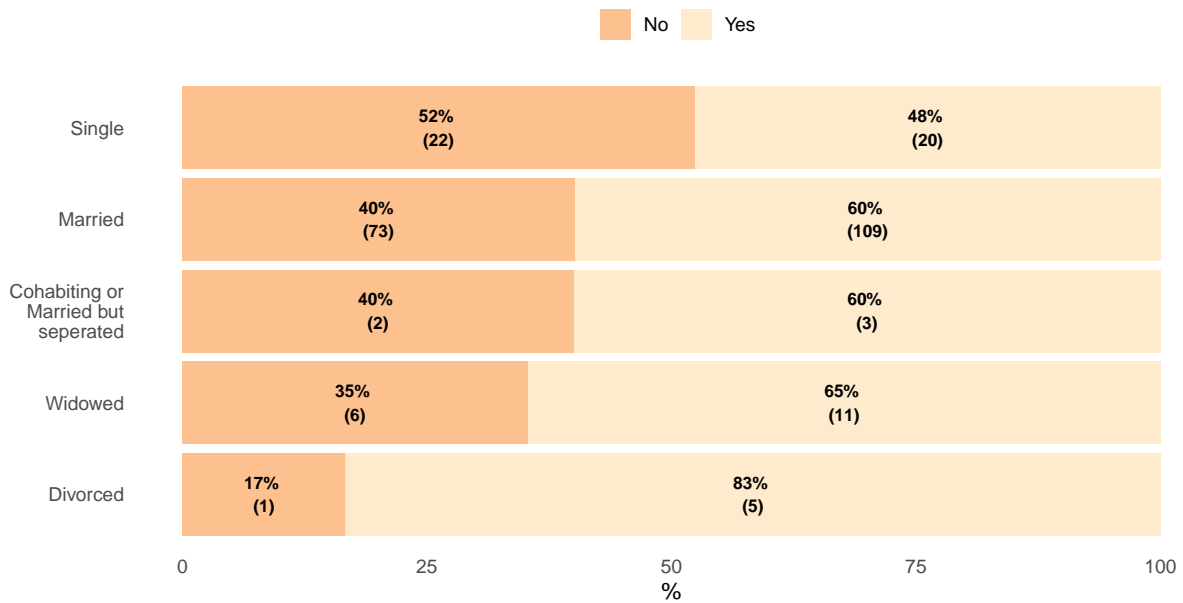
The figure below shows that more proportion of women experienced psychological/mental/emotional issues in Tokelau compared to men irrespective of atolls (62% versus 48%).

Fig. 2.18.1: Experiencing Psychological/Mental/Emotional health issues by gender



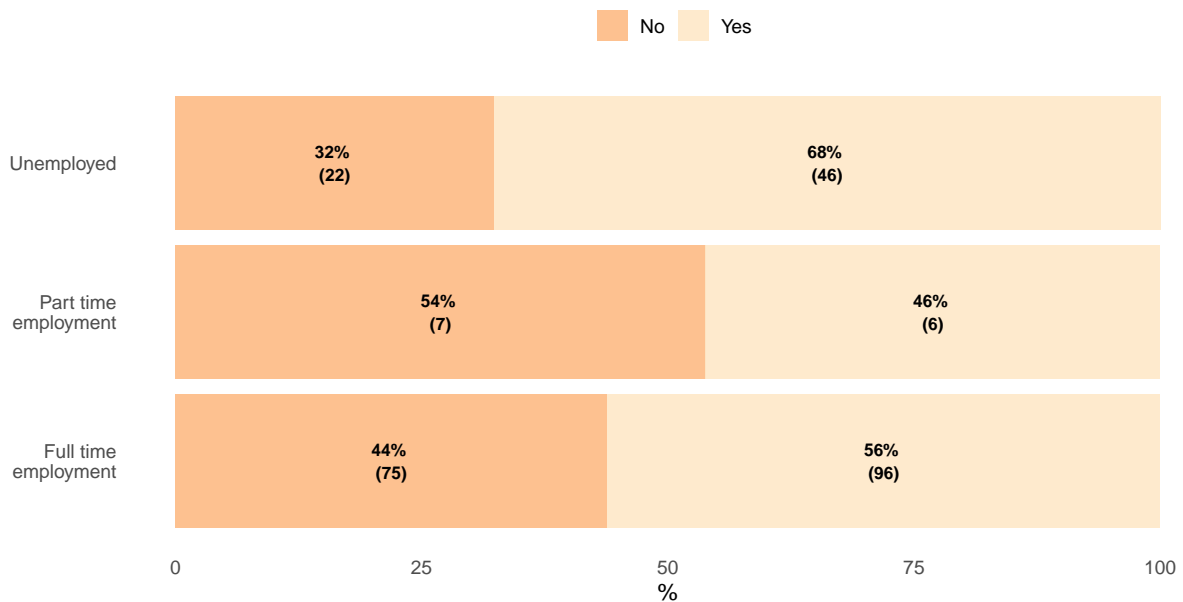
The most vulnerable group of people in terms of psychological issues are the widowed and divorced people (65% and 83% respectively). Single people are less likely to experience psychological issues.

Fig. 2.18.2: Experiencing Psychological/Mental/Emotional health issues by marital status



Unemployment is also a source of psychological stress for people related to COVID-19 lockdown. According to Figure 2.18.3 below 68% of unemployed respondents experienced psychological issues compared to less than 56% of employed respondents (both for fully and partially employed).

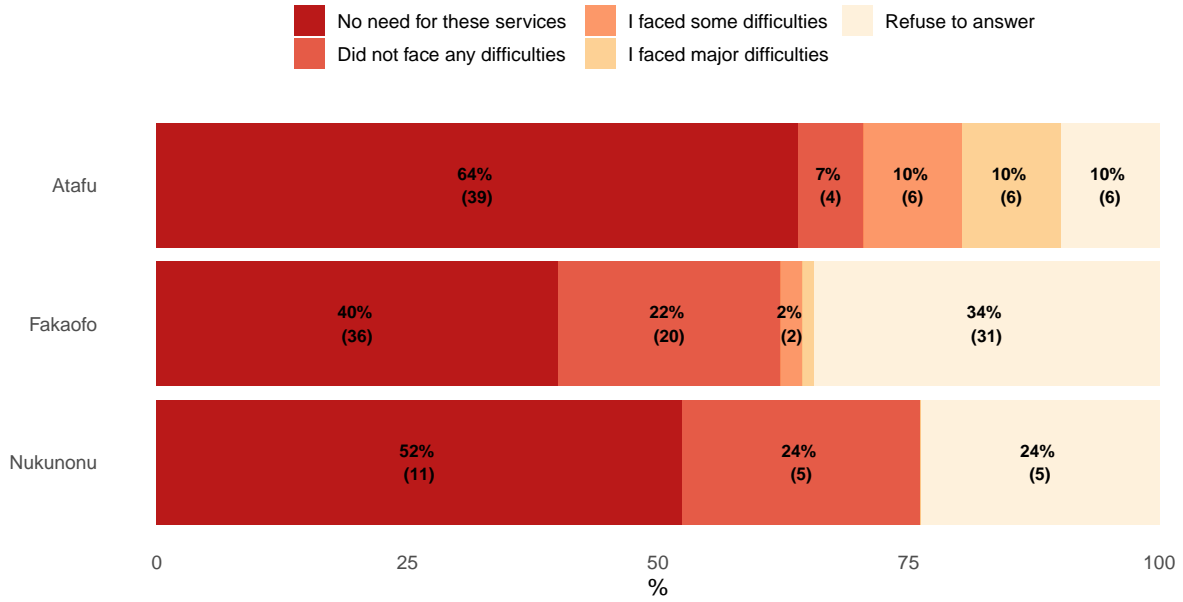
Fig. 2.18.3: Experiencing Psychological/Mental/Emotional health issues by economic activity



In summary, we can conclude that women, divorced/widowed people and also unemployed people were more likely to experience psychological issues because of COVID-19 related problems.

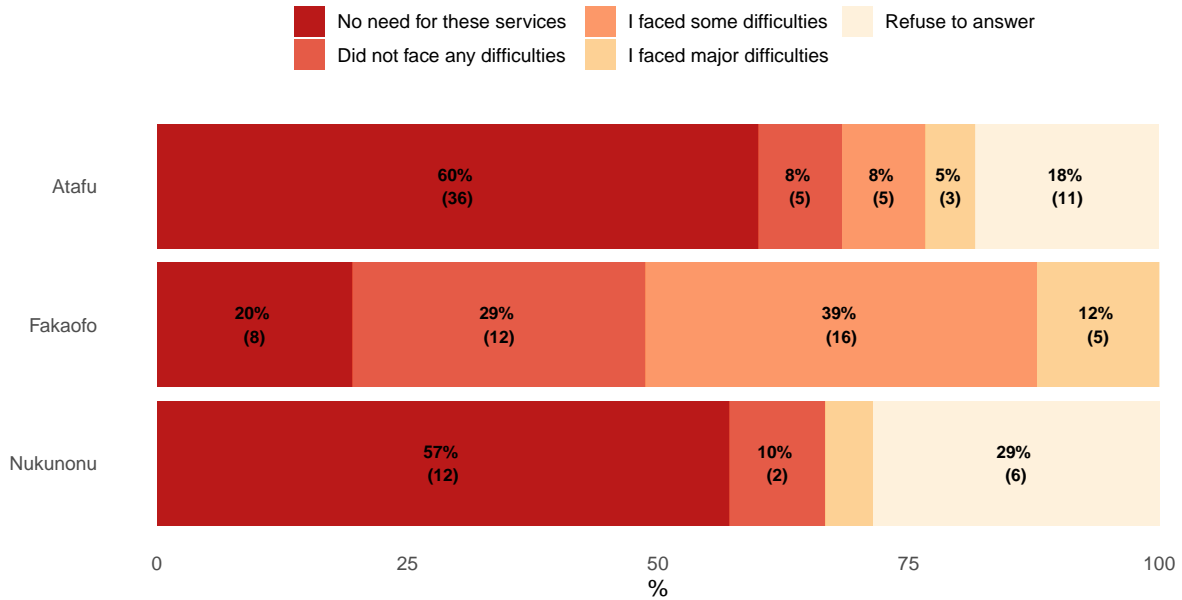
The questions on Reproductive Health for women were sensitive and this was reflected in the results of survey. There was a high proportion of women who responded that they either did not need these services (between 40%-64%) or refused to give an answer (between 10% - 34%). Particularly Figure 2.19 below explores whether women experienced difficulties in accessing reproductive health services in Tokelau or not. The results show about 20% of women on Atafu faced some or major difficulties in accessing these services compared to those living on Fakaofu and Nukunonu. It is worth mentioning that significantly higher proportions of female respondents refused to answer this question in Fakaofu and Nukunonu (34% and 24%).

Fig. 2.19: Since the COVID-19 lockdown, experiencing difficulties in accessing Reproductive Health Services by atolls



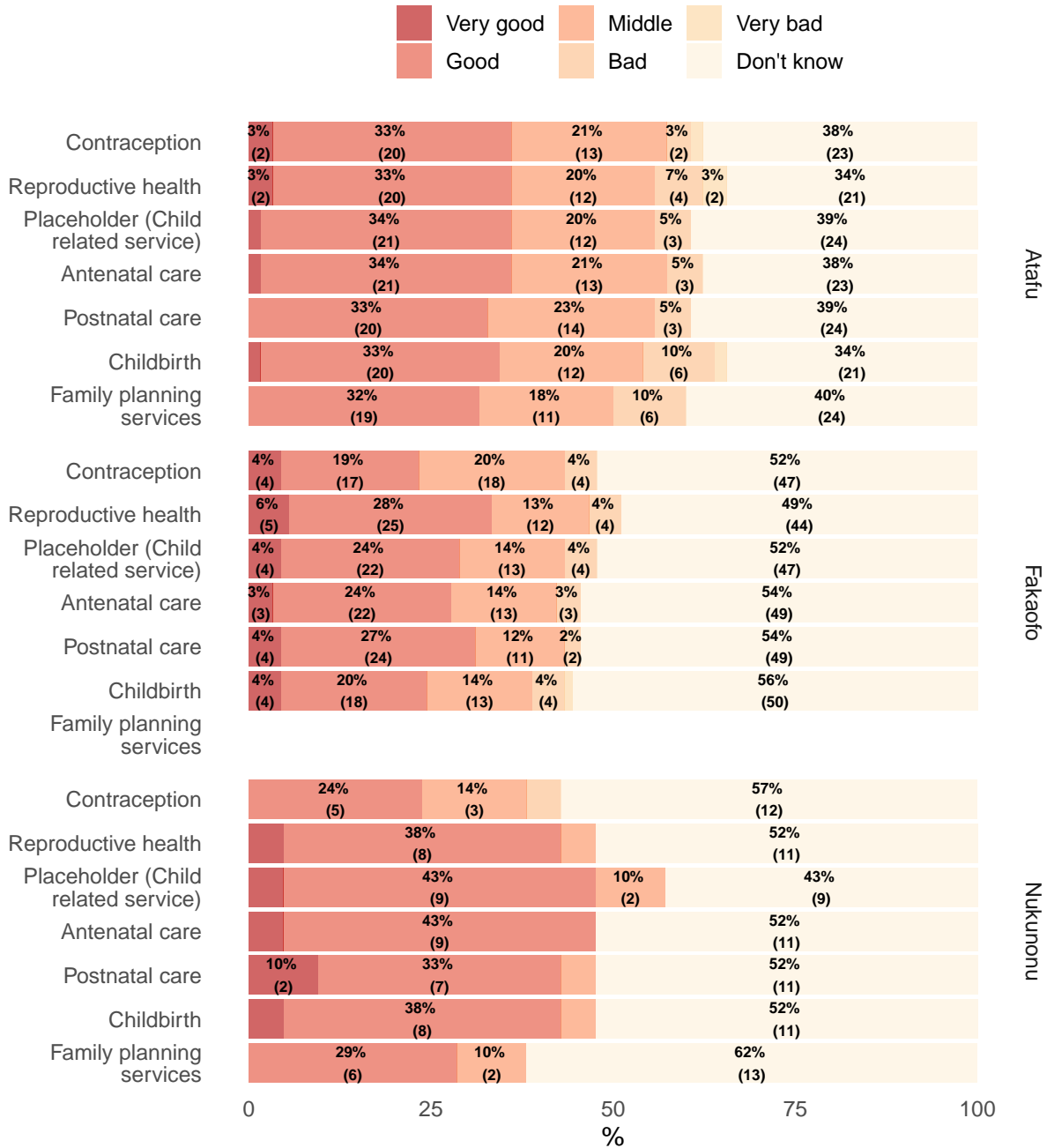
Similarly, for reproductive health services, some portion of Atafu’s females (13%) indicated difficulties in accessing contraceptive services (Figure 2.20).

Fig. 2.20: Since the COVID-19 lockdown, experiencing difficulties in accessing contraceptive services by atolls



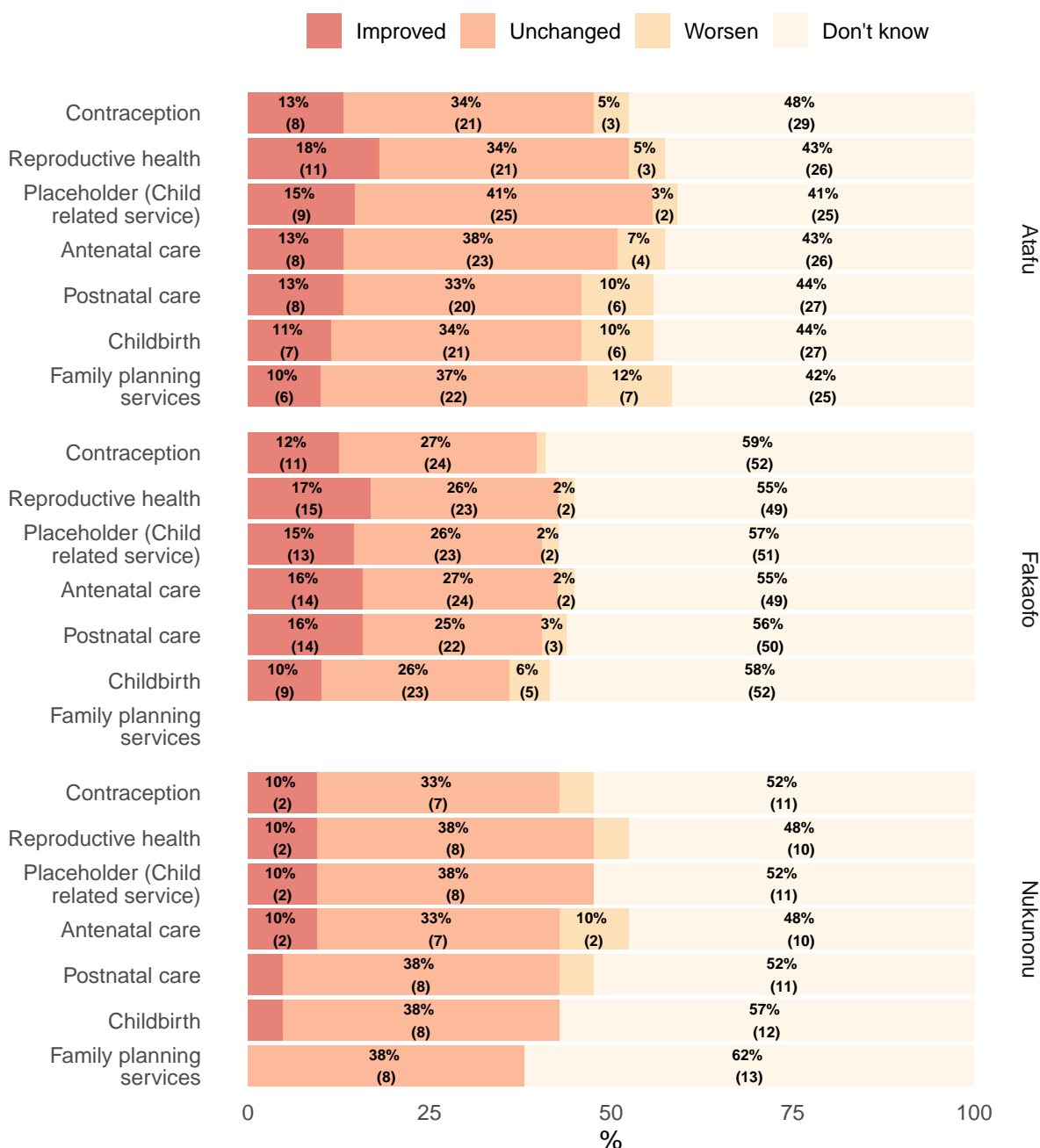
The following two figures 2.21 and 2.22 summarize the opinion of female respondents about the quality of several health care services in Tokelau before pandemic and also the change of the access to these services after the lockdown. Overall the quality of the services like contraception, reproductive health, placeholder, antenatal and postnatal care, childbirth and family planning services were estimated middle or good (about 40-60% across atolls). Only a very small proportion of respondents mentioned that the quality of the services was bad.

Fig. 2.21: The quality of health services in Tokelau before the spread of COVID-19 by atolls



After the COVID-19 lockdown the access to listed services shows some improvement especially in Atafu and Fakaofu, where more than 10% of women argued that the access to all services is improved.

Fig. 2.22: Access of health services' changes since COVID-19 Lockdown in Tokelau by atolls



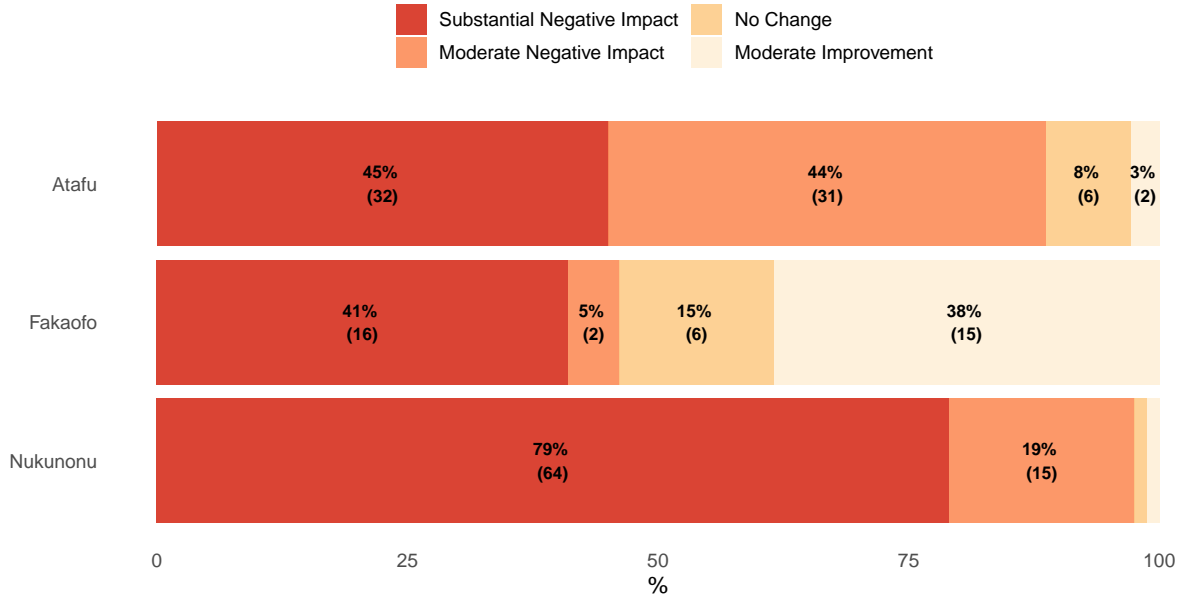
Summarizing we can conclude that overall the quality of female related health services was good before COVID-19 and it's access even slightly improved after the lockdown.

2.4 Education impact of COVID-19. Questions for youth

Like employment and health care education can be suffered and impacted negatively as a result of the COVID-19 lockdown. According to the study, 79% and 19% of respondents of Nukunonu mentioned a substantial and moderate negative impact of lockdown on education. Forty five per cent and 44% of respondents in

Atafu think that the education was substantially and moderately affected (negatively) by the lockdown. The situation was relatively better in Fakaofu, where only 41% of respondents mentioned that the effect was substantially negative but at the same time 38% said that the education was improved (moderately).

Fig. 2.23: Evaluation of Impact of COVID-19 Lockdown on Education in Tokelau by atolls

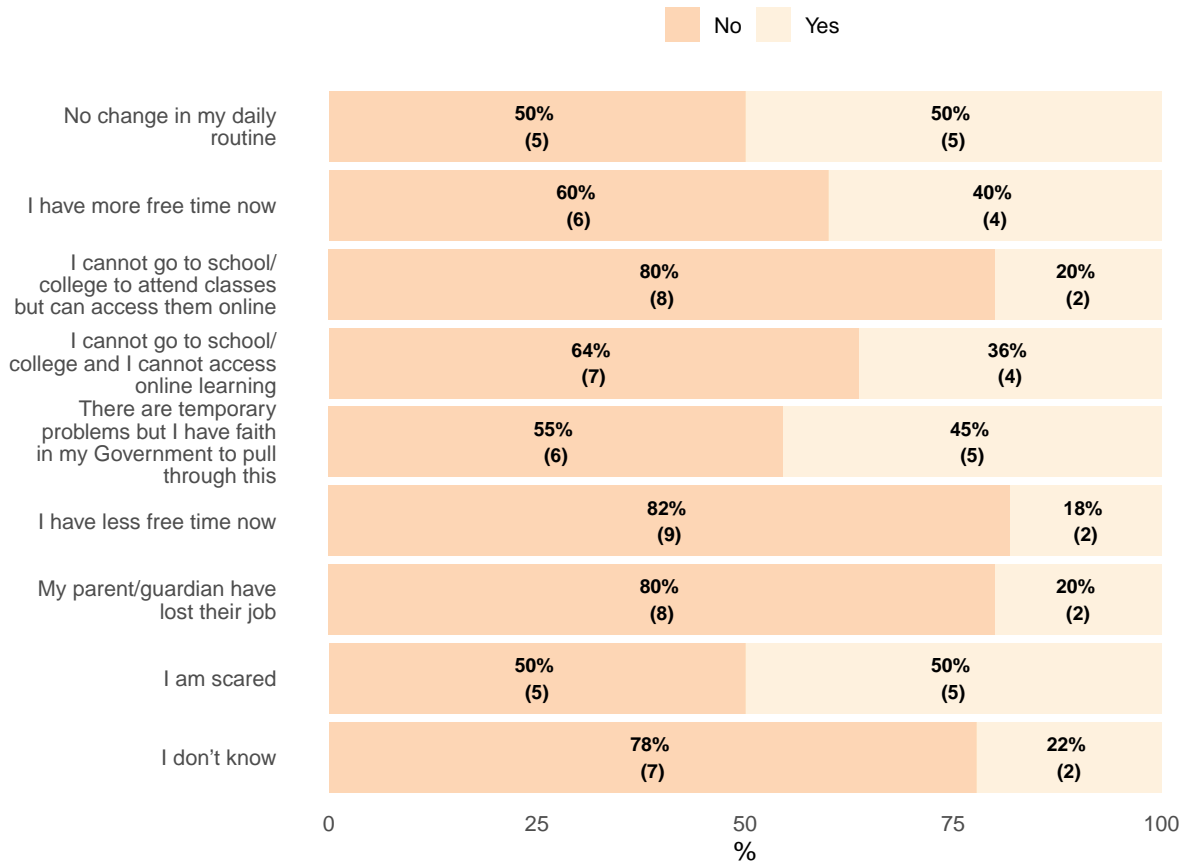


The effect of COVID-19 lockdown on youth (18-24 years old) Daily Life in Tokelau

The coronavirus pandemic has created unprecedented changes in daily life of youths and it is evident that normalcy cannot be expected anytime soon. The effects of lockdowns, layoffs, and massive public measures to contain COVID-19 will last long after any threat from the virus is gone. According to the study of 11 young people, Figure 2.24 see graph below, we can claim that **60% of respondents said that they do not have more free time after the COVID-19 Lockdown**. After the COVID-19 the idea of decrease in work time and increase in free-time activities can be especially pronounced, however working from home makes people less productive, and thus the time spending on work can rise.

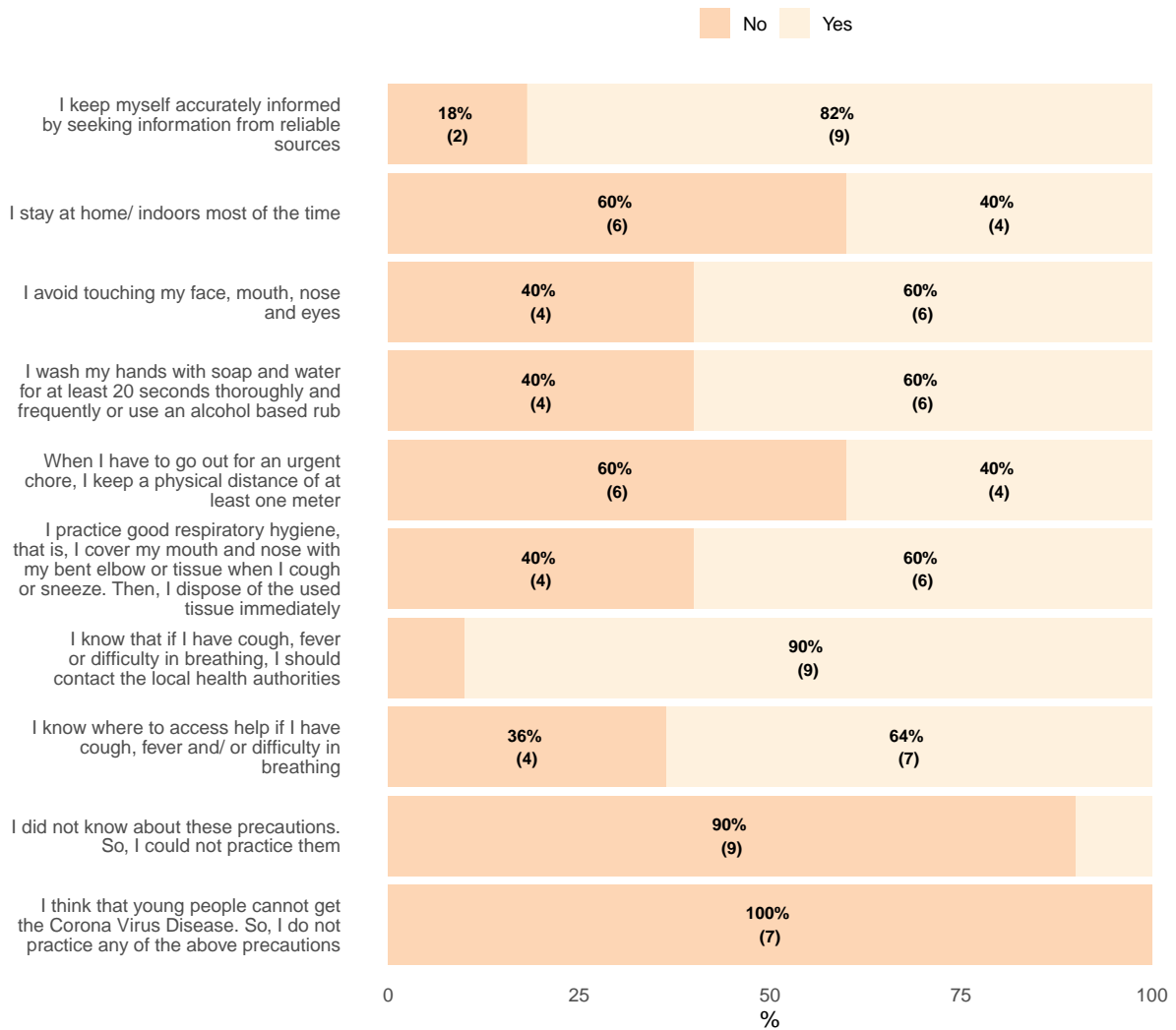
Expectedly, 50% of young respondents mentioned that they are scared which can be the result of propagating fear throughout our societies and media and can cause stress. It should be noted that 36% of people said that they cannot go to school/ college and I cannot access online learning, which can be the cause of potentially negative effect on their further education and can cause employment problems.

Fig. 2.24: Description of daily life after the COVID-19 Lockdown



From the Figure 2.26 below, 90% of young respondents know that if they have cough, fever or difficulty in breathing, they should contact the local health authorities. Furthermore, as a way of staying infection free, 82% of young people are keeping themselves accurately informed by seeking information from reliable sources, which is quite important to be less stressful, to slow down the spread of coronavirus and make themselves less vulnerable to infection. 60% of young people practice the most important precautions, like avoiding touching face, mouth, nose, and eyes, washing hands with soap and water for at least 20 seconds thoroughly and frequently or use an alcohol-based rub, practicing good respiratory hygiene, by covering mouth and nose with bent elbow or tissue in case of cough or sneeze. Fortunately, all of the young respondents do not think that young people cannot get the Corona Virus Disease and practice the specified precautions.

Fig. 2.26: The ways of staying infection free



As the best way to share information and providing support for dealing with the COVID-19 pandemic, the vast majority of young people (91%) mentioned social media, such as Facebook, Instagram. Creating an e-group for young people, email messages, webinars, zoom calls, google hangouts and other virtual platforms can also be methods for providing accurate information. However, the least popular ones are Newsletters and messages specifically for young people in newspapers, radio, and television to elicit and amplify our role in containing the COVID-19 pandemic.

Fig. 2.27: The best information source to provide support for dealing with the COVID-19 pandemic

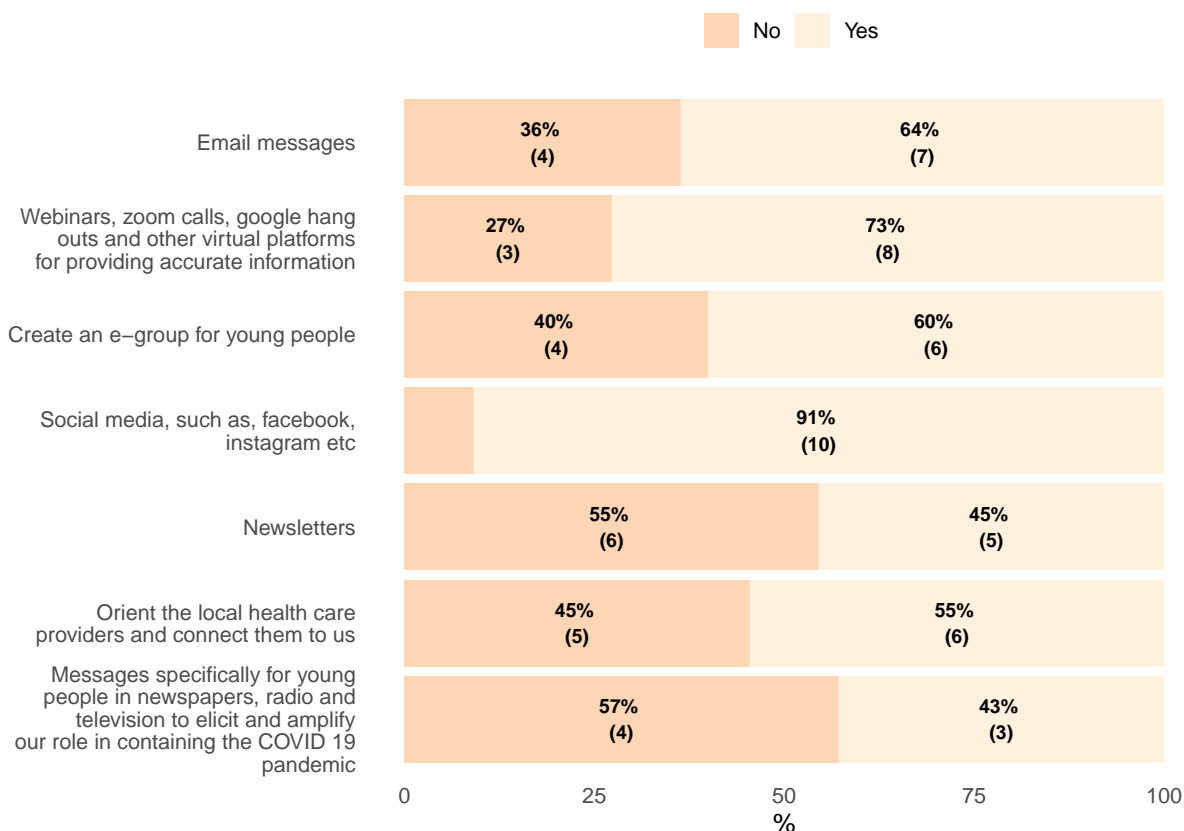


Table 3: Summary of current stress levels regarding the COVID-19 pandemic (1 being no stress and 10 being very high levels of stress)

Min	Q1	Mean	Q3	Max
1	3.5	6	8.75	10

The mean of level of stress among young people is 8, which is close to the highest level of stress.

2.5 UNDP Assistance

International donor organizations, especially UN agencies are involved in assisting countries to combat the spread of COVID and minimize the negative effects of COVID-19 pandemic. Figure 2.28 show Tokelau's preference in order of priority on the assistance that they require from UNDP. The results show that in Atafu the medical supplies and food are the most expected types of assistance from UNDP. Particularly the 35%, 27%, and 21% of respondents of Atafu assessed the medical supplies as top 1, top 2 and top 3 (based on their priorities). Fuel and schooling equipment to assist with home schooling during lockdown are also expected types of help from UNDP (44-47% of respondents ranked these two assistances as top 1, top 2, or top 3).

Similarly, in Fakaofu the medical supplies and food are the most expected types of assistance from UNDP. Particularly the 41%, 17%, and 12% of respondents of Fakaofu assessed the provision of food as top 1, top 2 and top 3. The second expected assistance is provision of medical supplies (67% of respondents mentioned it as top 1, top 2, or top 3). Provision of fuel and monetary handouts to Tokelau are also important type of assistance in Fakaofu (for 44% and 31% of respondents respectively).

Provision of food in Nukunonu is the most important type of assistance, which is mentioned by 75% of respondents as top1, top2, and top3. Provision of medical supplies and schooling equipment to assist with home schooling are considered almost equally important (overall for 62% of respondents) for Nukunonu.

Fig. 2.28: The top 3 Main Options for UNDP to Assist Tokelau with COVID-19 by atolls

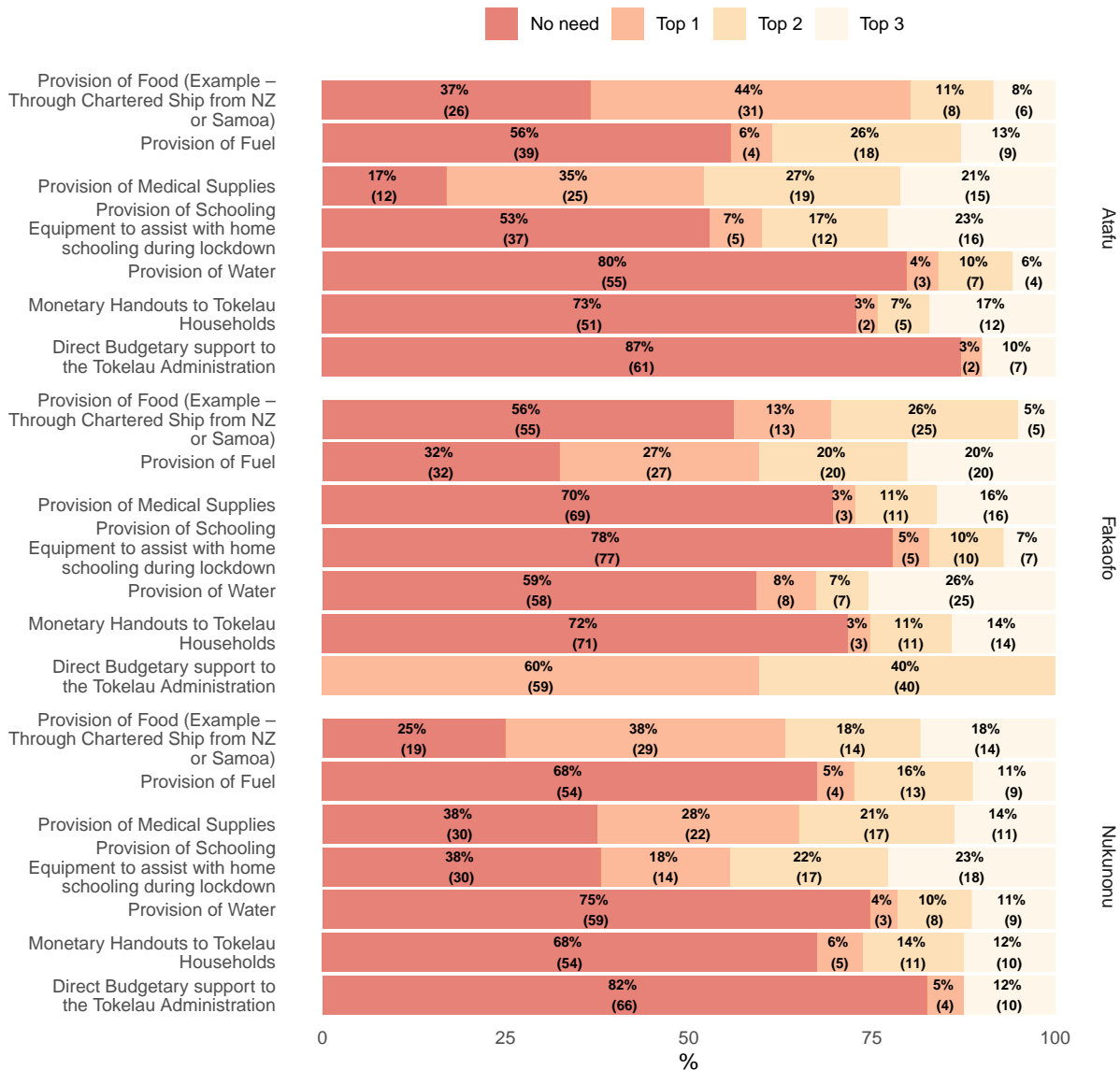
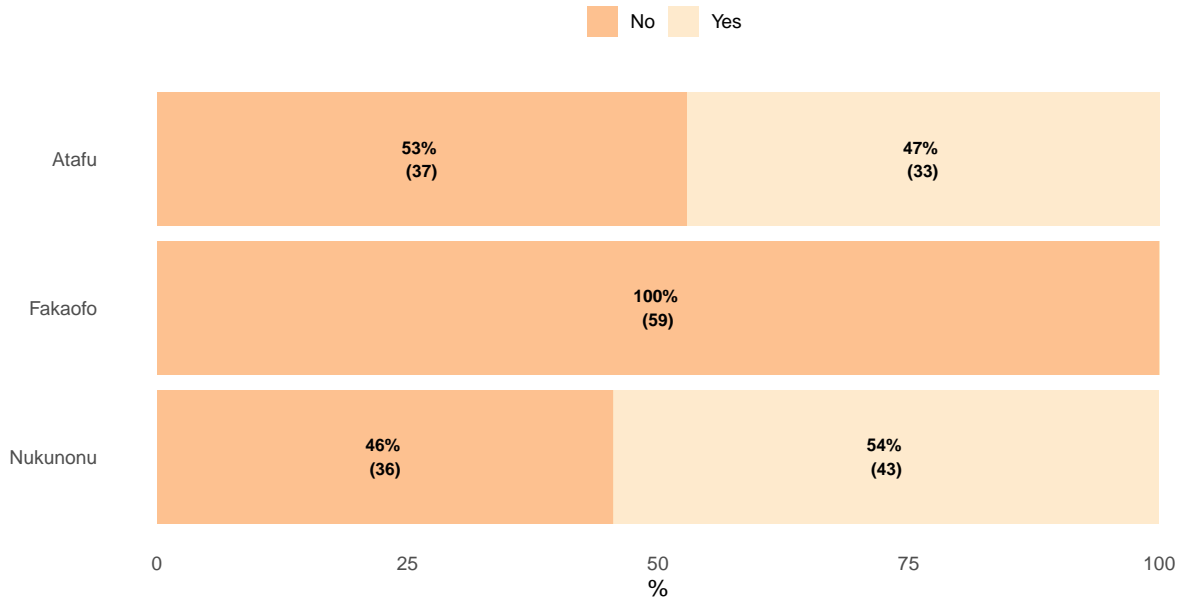


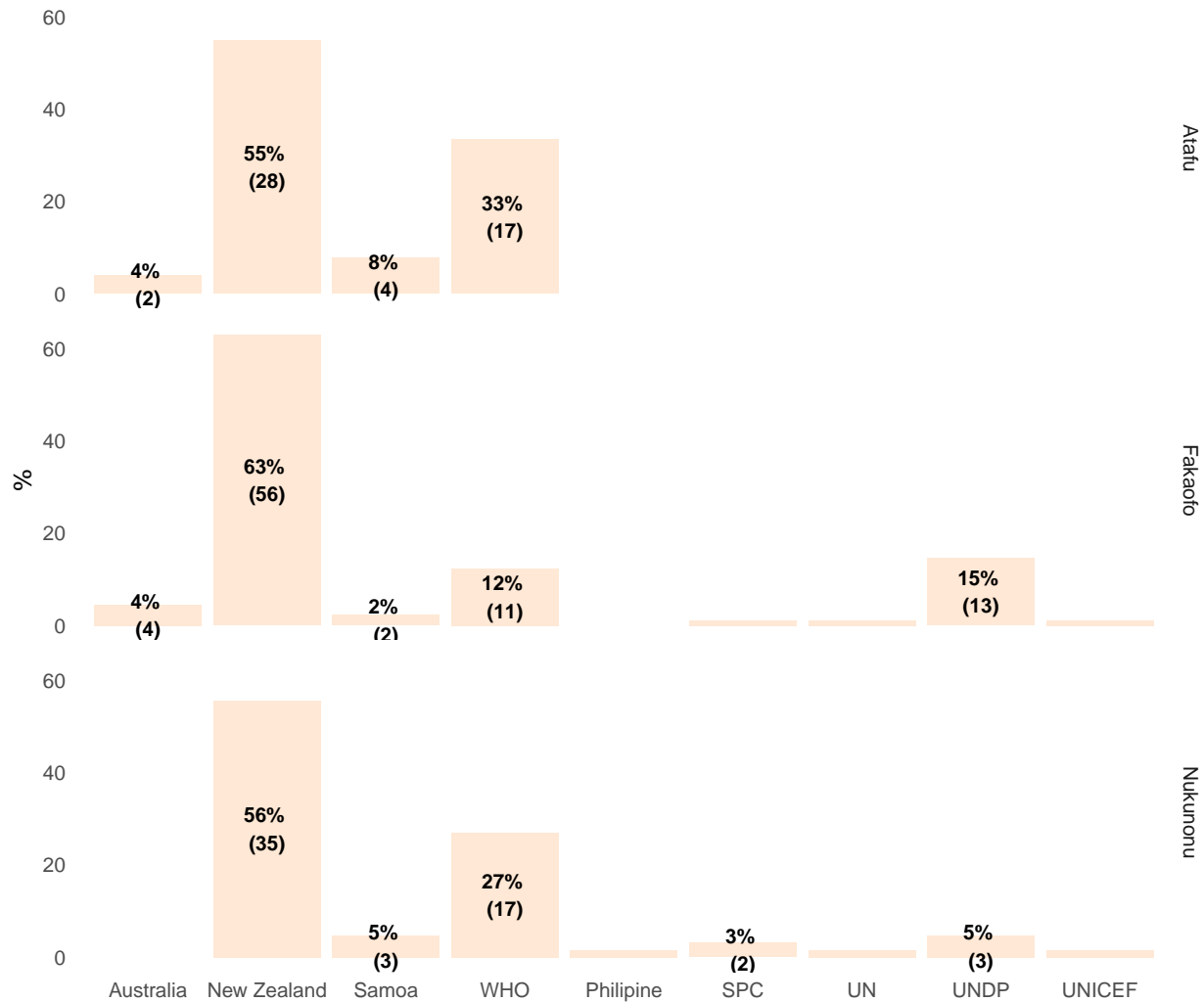
Figure 2.29 showed, almost half of respondents in all atolls said they knew about such assistance.

Fig. 2.29: Awareness of any other assistance provided to Tokelau for COVID-19 by atolls



Fifty five per cent to 63% of respondents in all atolls indicate that most of the COVID 19 assistance is provided by New Zealand In Atafu and Nukunonu 33% and 27% of respondents respectively consider WHO as provider of assistance to Tokelau. UNDP was ranked the lowest as provider of assistance by 15% of respondents of Fakaofu.

Fig. 2.33: Company or Organization providing assistance to Tokelau for COVID-19 by atolls



2.6 Main Findings and Conclusions

- The restrictions posed by the COVID-19 lockdown did not affect negatively the employment of people in Tokelau. Compared to about 5% of employed people, who experienced a reduction of number of working hours or lost the job after the lockdown, more than 7% mentioned that working hours increased after the lockdown.
- The COVID-19 lockdown affected the access to the local (Apia and Auckland) and imported good markets. The reduction of access to imported goods is stronger than the access to the local market.
- Overall respondents in all atolls argued about increase of imported good prices. The increase of imported good prices is more obvious in Nukunonu compared to Atafu and Fakaofu. Unlike the imported goods prices local food prices didn't change in Tokelau.
- The main sources of income in Tokelau are income from paid job (for 86% of respondents) and pensions and other social payments (for 50-70% of respondents). These income sources and the total income are not affected by the COVID-19 lockdown.

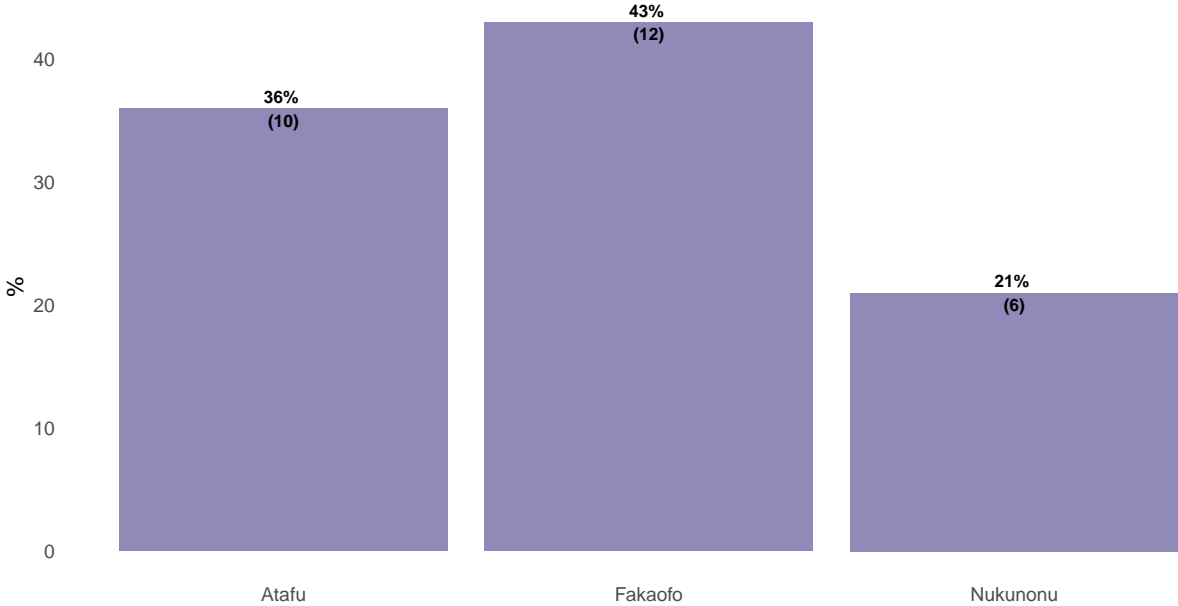
- After the COVID-19 lockdown people had difficulties in accessing some basic services:
 - majority of respondents of Atafu’s experienced major difficulties in gas supply, food products supply, medical supplies for personal protection and hygiene and sanitary products;
 - access to food products supply was the most problematic service in Fakaofu: About 20% of respondents experienced major difficulties with water and gas supply. About half of respondents had difficulty in accessing medical supplies for personal protection and hygiene and sanitary products.
 - Nukunonu experienced less difficulties with basic services. Food products and medical supplies can be considered the services most affected from the lockdown.
- If COVID-19 lockdown will continue in the future people will most likely have problems with keeping up with basic expenses and paying for utilities. About one third of respondents would have to stop seeking health assistance because of financial situation. People rely more on friends and local government for financial support rather than applying for a loan.
- There is no strong evidence that the access to health assistance outside of Tokelau reduced significantly. In case of within Tokelau the access to health assistance even improved after the COVID-19 lockdown. People experienced psychological, mental and emotional health issues after the lockdown. Moreover, women, widowed and divorced people, unemployed people are significantly more vulnerable in terms of psychological issues.
- Compared to Fakaofu and Nukunonu in Atafu a part of women (20%) who needed reproductive health services experienced some or major access difficulties. Overall the quality of the health services like contraception, reproductive health, placeholder, antenatal and postnatal care, childbirth and family planning services were estimated middle or good (about 40-60% across atolls).
- Education is substantially affected by lockdown in all atolls. It is worth mentioning, that compared to Atafu and Nukunonu, more than one third of respondents mentioned that education is improved. Provision of medical supplies, food, fuel, schooling equipment (to assist with home schooling) are the most required type of assistance people expect from UNDP.

3 Impact of COVID-19 Lockdown on Business

3.1 Background information on Business activity

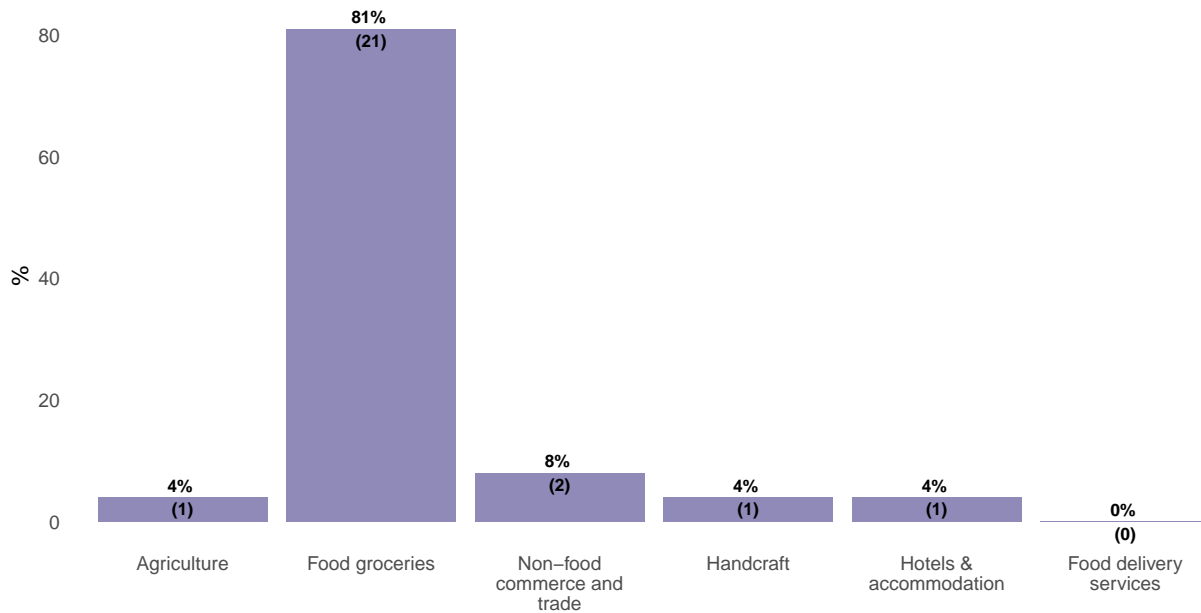
Unlike the household survey, the sample size of the business survey is very small, which limits the scope of statistical analysis. The biggest number of businesses were located in Fakaofu - 12 businesses, while the least number in Nukunonu - 6 businesses. Overall 28 businesses were surveyed across three atolls.

Fig. 3.1: Please specify the atoll, in which your business carry out its activity



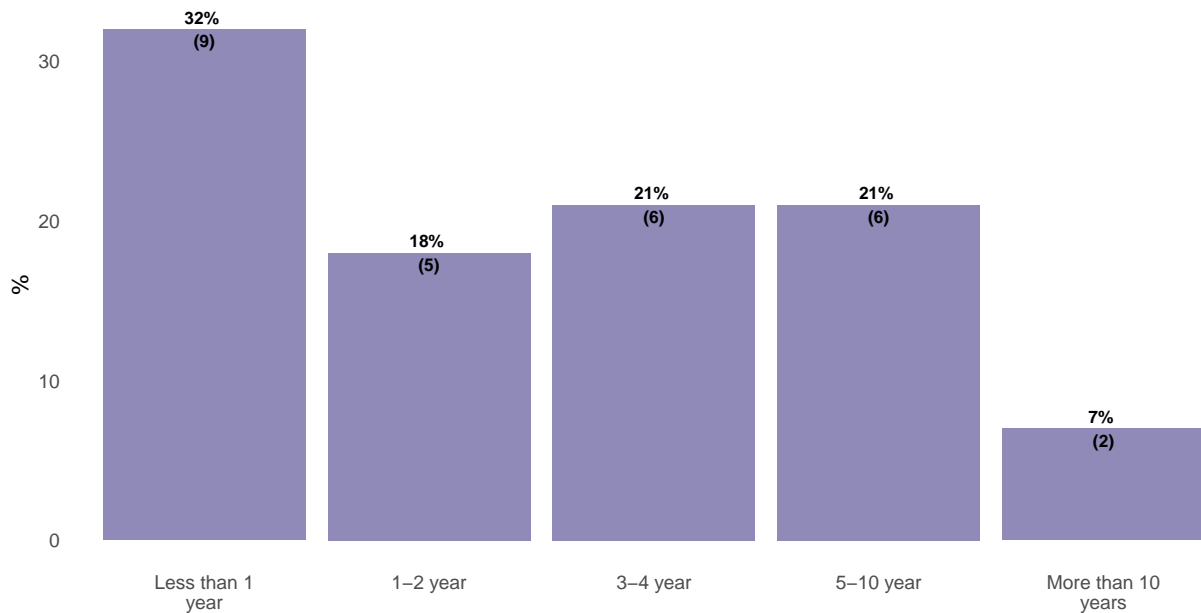
The observed businesses are not well distributed by sectors. As presented in Figure 3.2 below, 81% of them operated in food groceries sector. The fact that only 19% of surveyed businesses (7 businesses) are from other sectors will not allow to desegregate the analysis of the survey by the types of activities.

Fig. 3.2: What is the main sector of activity of your business?



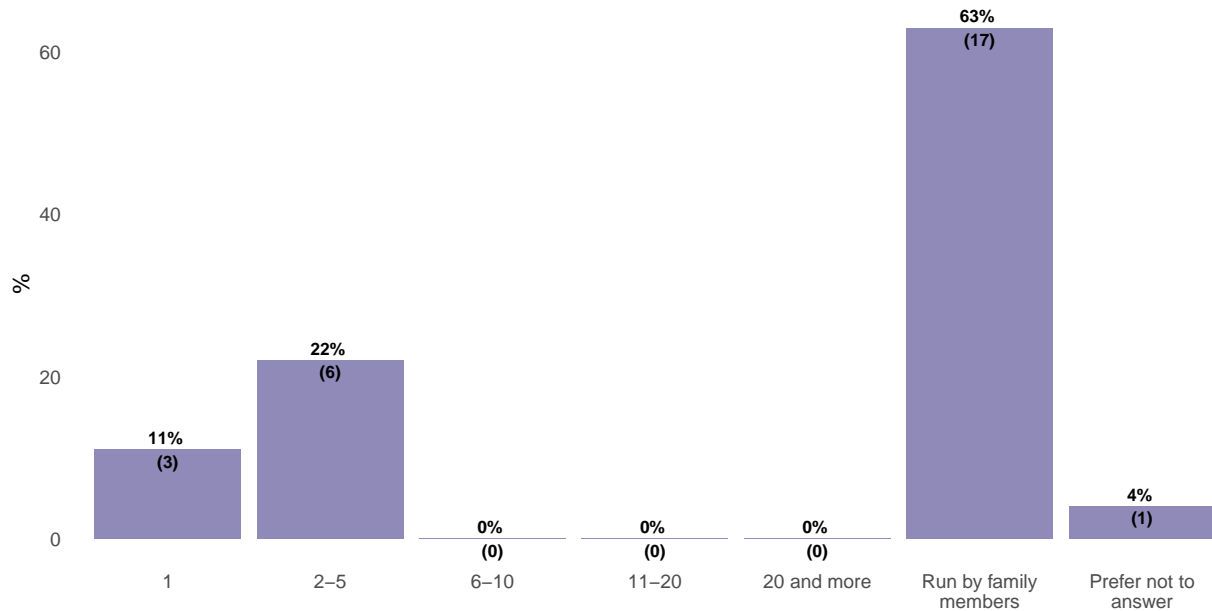
First, let's see the distribution of firms by size and age. The sustainability of businesses and their ability to overcome different type of shocks can depend on their age and size. It is known, that young businesses (that are typically small) exhibit very different cyclical dynamics than small/older businesses. Young/small businesses are more sensitive to shocks than older/larger businesses. One third of these companies have operated for less than one year; 18% from 1 to 2 years; 21% from 3 to 4 years and from 5 to 10 years.

Fig. 3.3: What is the age of your business?



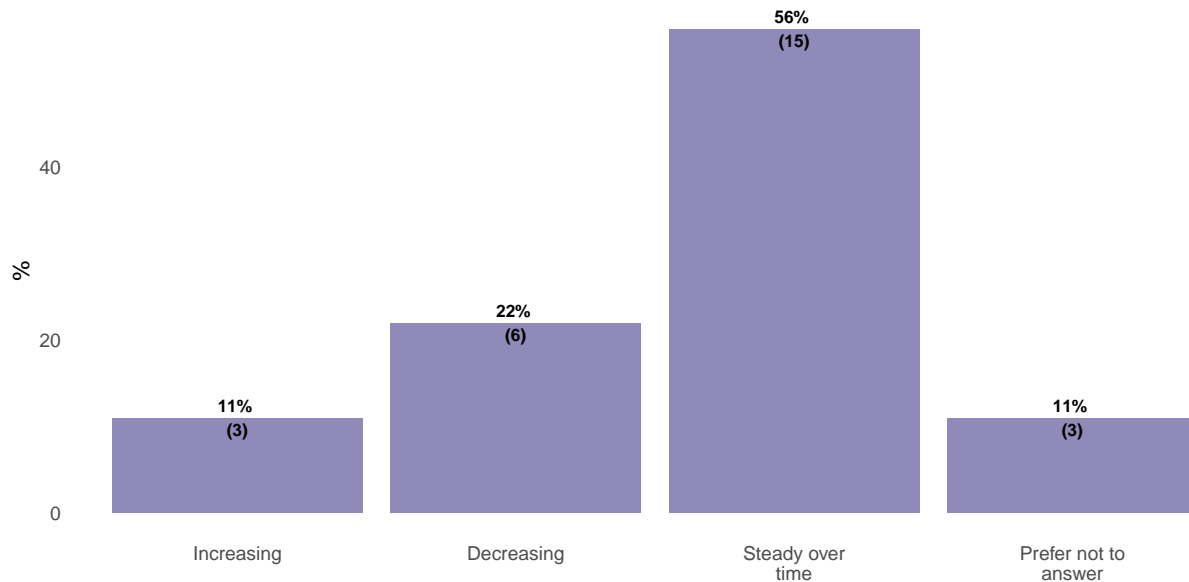
From Figure 3.4 below it can be seen, that the majority of businesses (63%) are family owned firms. The size of other (not family owned) businesses are very small: They have up to 5 employees.

Fig. 3.4: How many employees did your company have before the Covid-19 lockdown?



The dynamic of more than half of the businesses before Covid-19 was steady over time. It is important to examine the negative impact of COVID-19 on businesses (18 businesses out of 28) which dynamics were increasing or steady over type; because businesses with negative developments before Covid-19 are weak indicators of the true negative impact of any crisis of business. It is hard to distinguish whether the decrease is the result of a crisis or other improper business management.

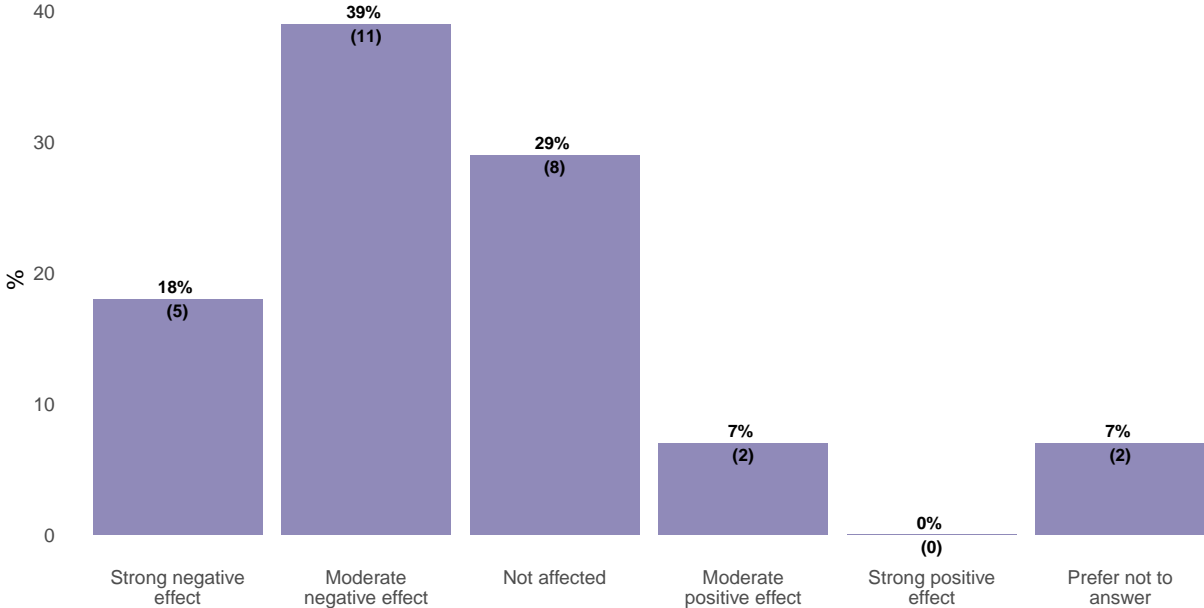
Fig. 3.5: What has been the dynamics of your business development before the COVID-19 lockdown?



3.2 Assessing COVID-19 lockdown impact on business operations

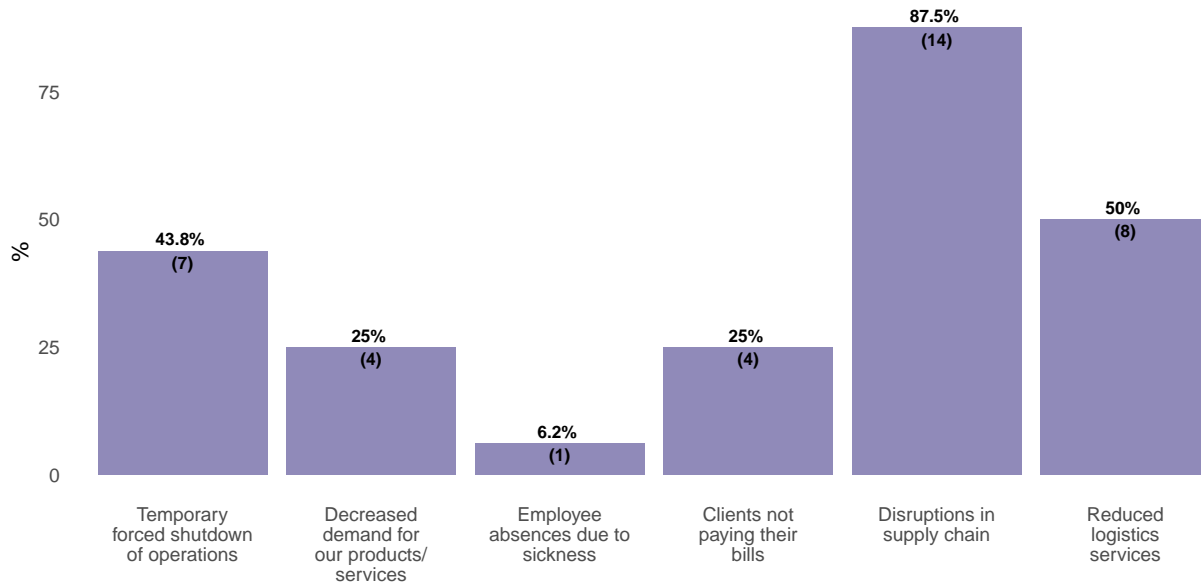
The majority of businesses have been affected negatively (18% experienced strong negative and 39% moderate negative effect) by the COVID-19 lockdown. At the same time 29% of businesses are not affected at all. Unsurprisingly, the main sector of activity of 2 businesses which gained during the COVID-19 pandemic is Food groceries, which can be explained by the increase of the number of food delivery during lockdown.

Fig. 3.6: How have your business operations been affected by the COVID-19 lockdown?



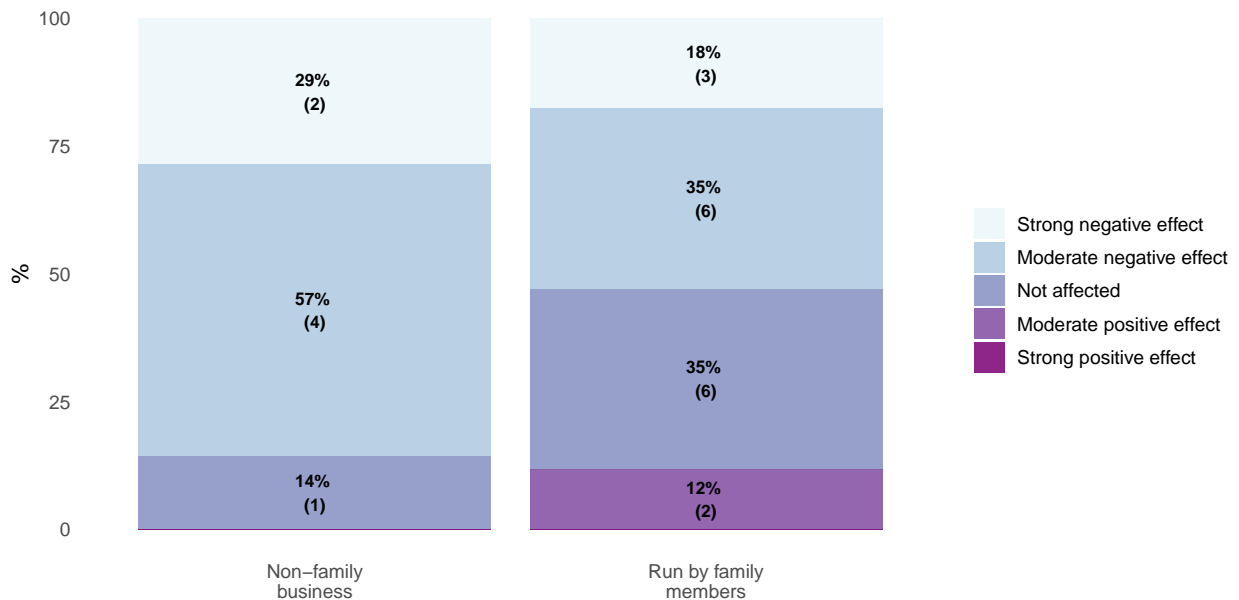
To find out how negatively impact of COVID-19 lockdown can be eliminated or reduced, it is important to understand the weaknesses of value chains/business operations. From the graph below it can be seen that the main reason for business operation to be negatively affected by COVID-19 is disruptions in a supply chain (87.5%). Approximately 50% of businesses experienced a reduction in logistics services and a temporary forced shutdown of operations. So to overcome upcoming difficulties businesses should pay much more attention to the mentioned operations. The least negative impact occurred as a result of employee absences due to sickness.

Fig. 3.7: In which of the following ways does the Covid-19 lockdown negatively affect your business operations?



The results of the survey show that compared to non-family businesses the family owned businesses experienced less negative impact because of the lockdown restrictions. That can be explained by the idea that family firms are less sensitive to performance and product market fluctuations. These results should be interpreted carefully as the sample size of these types of companies are very limited.

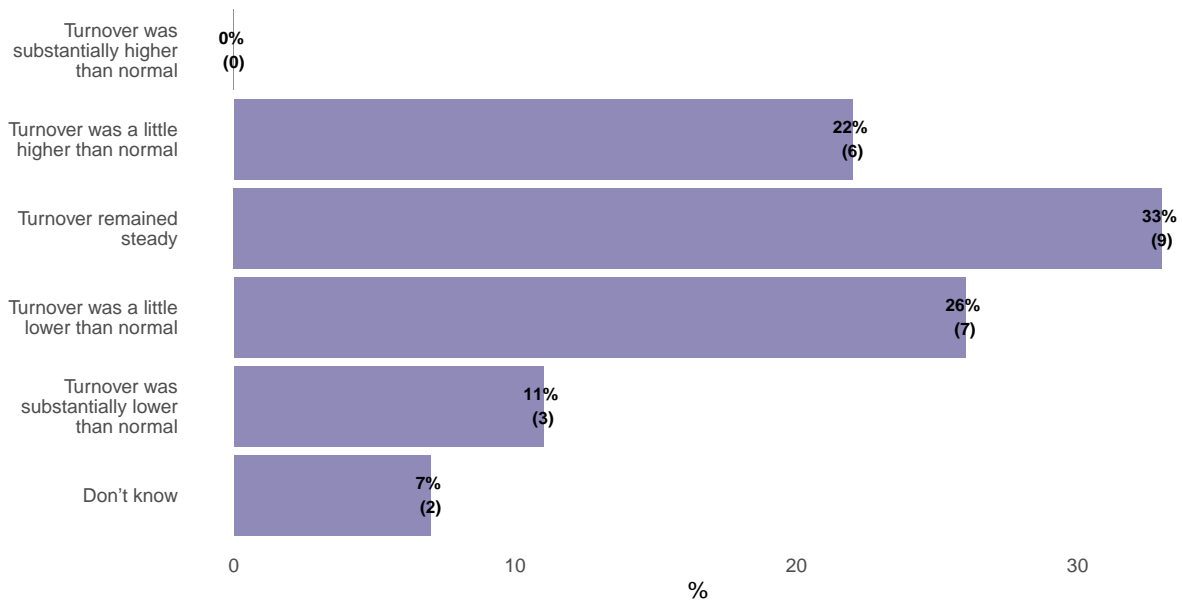
Fig. 3.8: Changes of business operations by type of the business



The negative impact of COVID-19 lockdown on business activities can be expressed by the change of turnover, which is a reflection both of external and internal factors. Therefore, it should be used as a source of learning for continuous improvement. Figure 3.9 below indicates that 36% of businesses' turnover did not change after the lockdown. However, 40% of respondents the turnover was a little changed or substantially lower than normal. At the same time, 24% of surveyed companies experienced turnovers a little higher than normal.

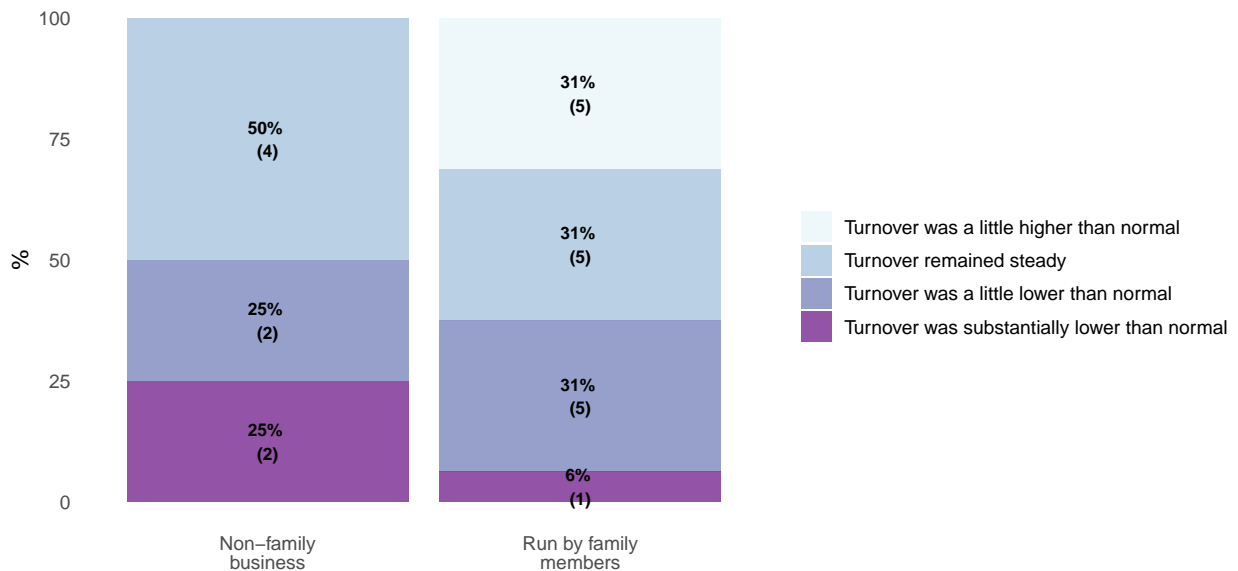
The Food groceries was the main sector of activity of which 6 businesses had turnovers which were a little higher than normal.

Fig. 3.9: In which of the following ways does the Covid-19 Lockdown negatively affect your business operations?



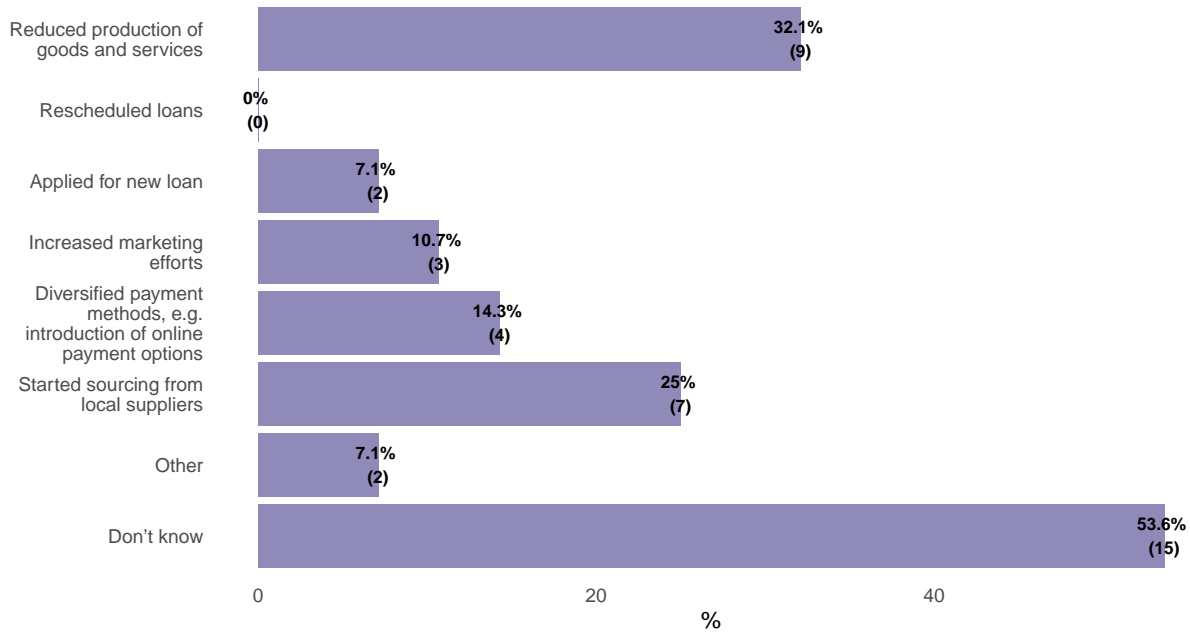
The reduction of the turnover is more obvious for non-family owned businesses, which means that family owned businesses are more sustainable in Tokelau.

Fig. 3.10: Changes in turnover after the COVID-19 lockdown by the type of the business



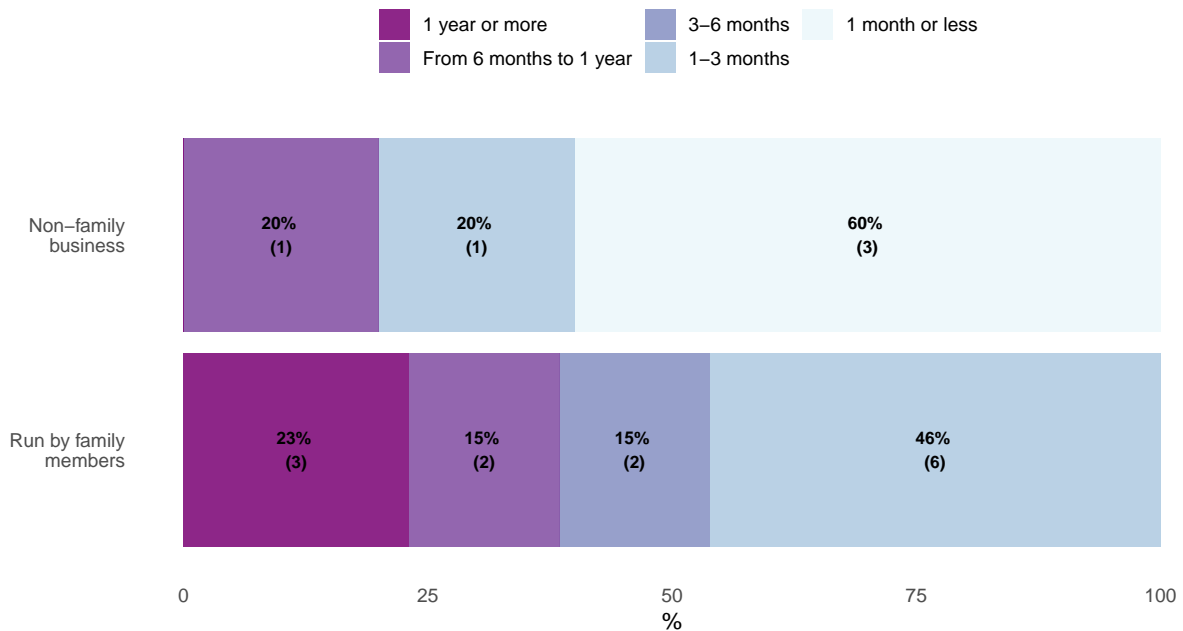
To minimize the risks related to COVID-19 lockdown 32% of companies reduced the production of goods and services. Twenty seven percent of businesses started sourcing from local suppliers.

Fig. 3.11: Response to the Covid-19 Lockdown to minimize the risks?



How long the businesses can survive if the current restrictions are maintained? The study shows that overall the family owned businesses can survive longer compared to non-family owned businesses.

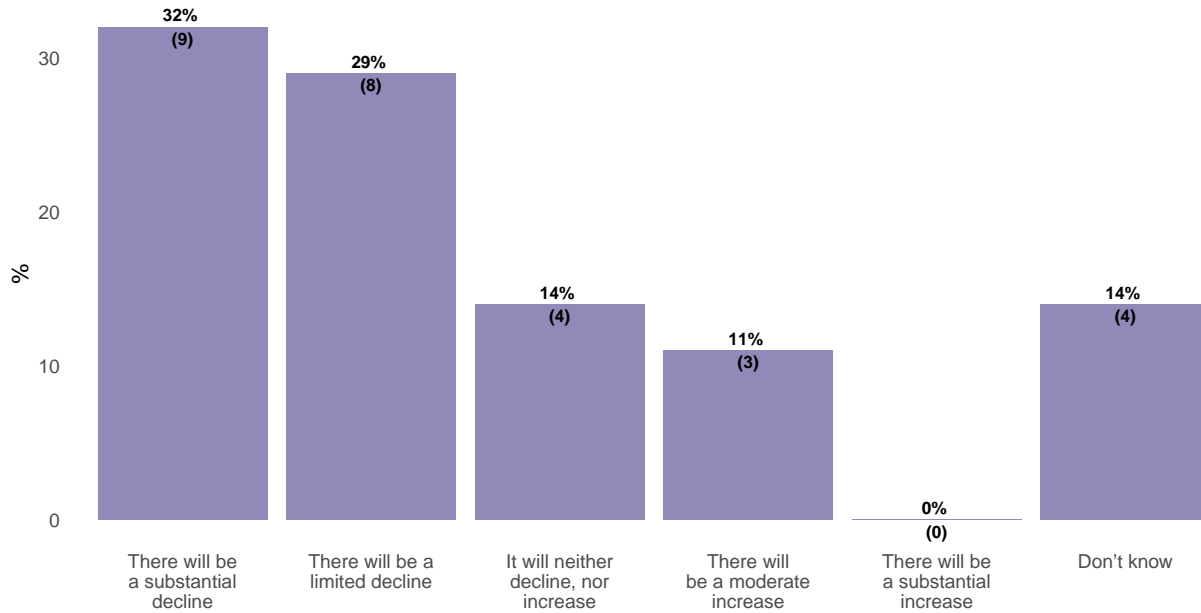
Fig. 3.12: Expected survival evaluations by the type of the business



3.3 The risks and opportunities of the post COVID-19 period

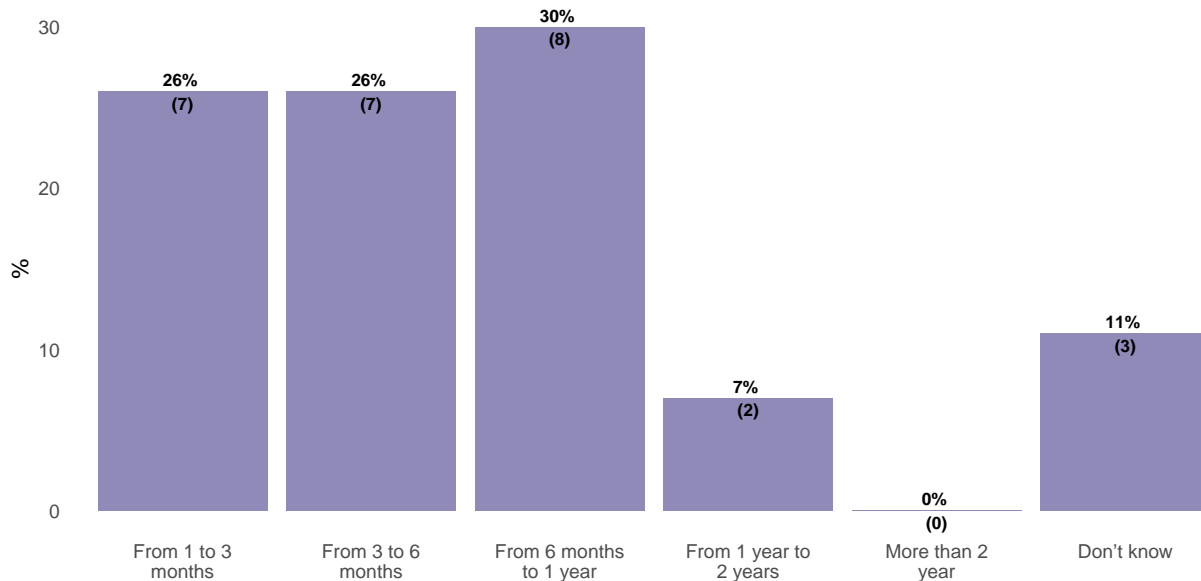
About one third of surveyed companies expect substantial decline of the economy overall within the upcoming 2 years. Another 29% think that the economy of Tokelau will experience limited decline.

Fig. 3.13: How will the economy of Tokelau develop within the upcoming 1–2 years?



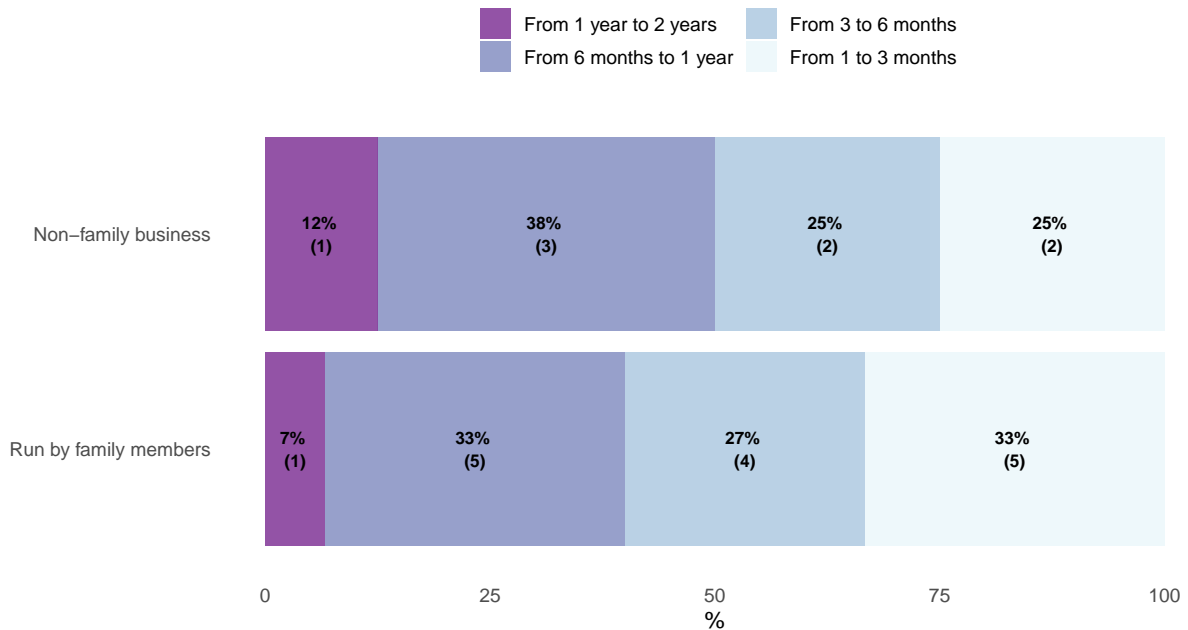
Most part of the businesses (82%) think that the business operations will recover and reach the pre-crisis turnover level within one year if the pandemic and emergency situation will end next week.

Fig. 3.14: If the pandemic and emergency situation were to end next week, how long would it take for your business to recover and reach the pre-crisis turnover level?



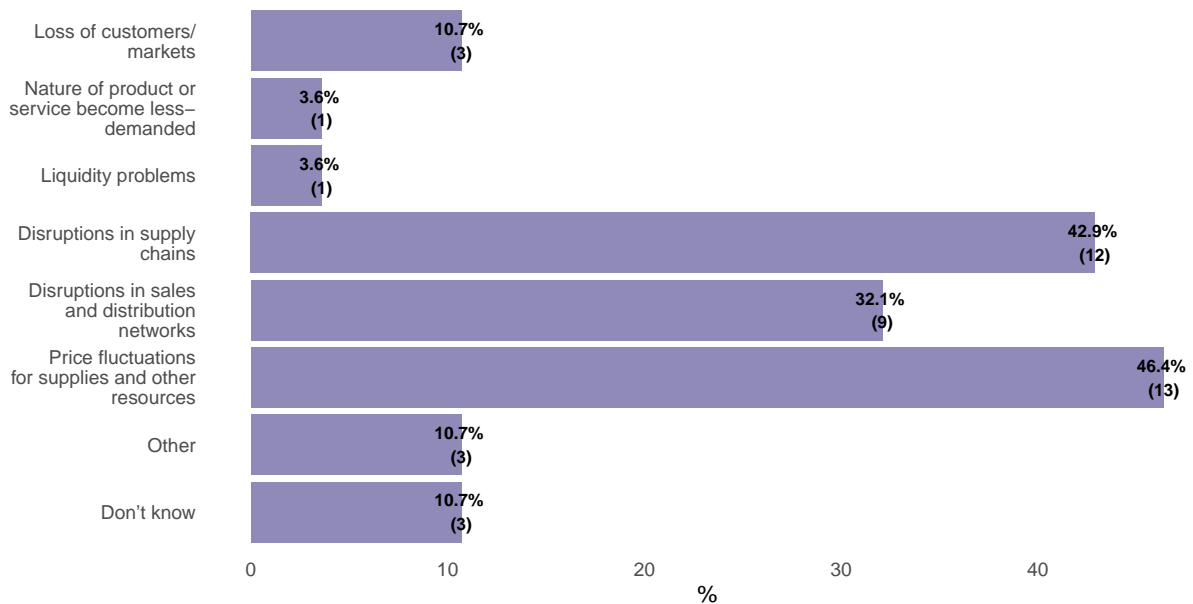
On average the family owned businesses have the ability to recover quicker compared to non-family owned businesses.

Fig. 3.15: The recovery speed by the type of the business



The major challenges, the businesses will face during recovery process are price fluctuations for supplies and other resources (46%), disruptions in supply chains (43%) and disruptions in sales and distribution networks (32%).

Fig. 3.16: What will be the major challenges for your business in its recovering process?



More than half of the businesses rely on the Government of Tokelau for the recovery process.

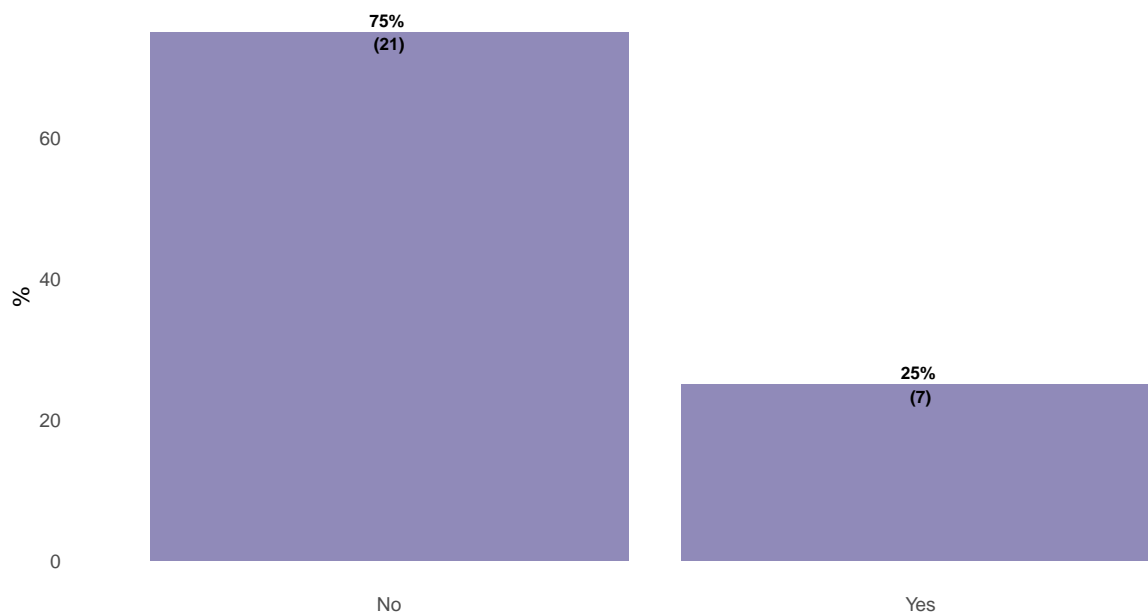
Fig. 3.17: What are the most reliable sources and institutions to support your business recovery process?



3.4 Awareness, accessibility and relevance of government initiatives

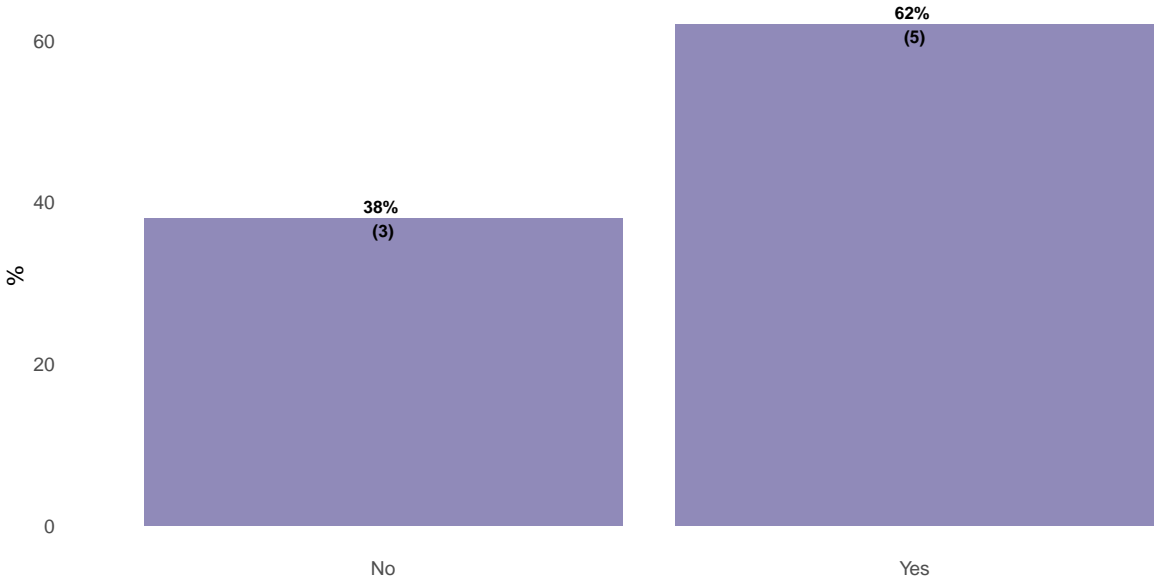
Only 25% of surveyed companies are aware of any government support programs; however no one has applied for any programs.

Fig. 3.18: Are you aware of any government support programs?



The majority of companies (62%) who are aware of government support programs plan to apply for the supporting programs initiated by the government.

Fig. 3.19: Is your business planning to apply to any of the supporting programs initiated by the government?

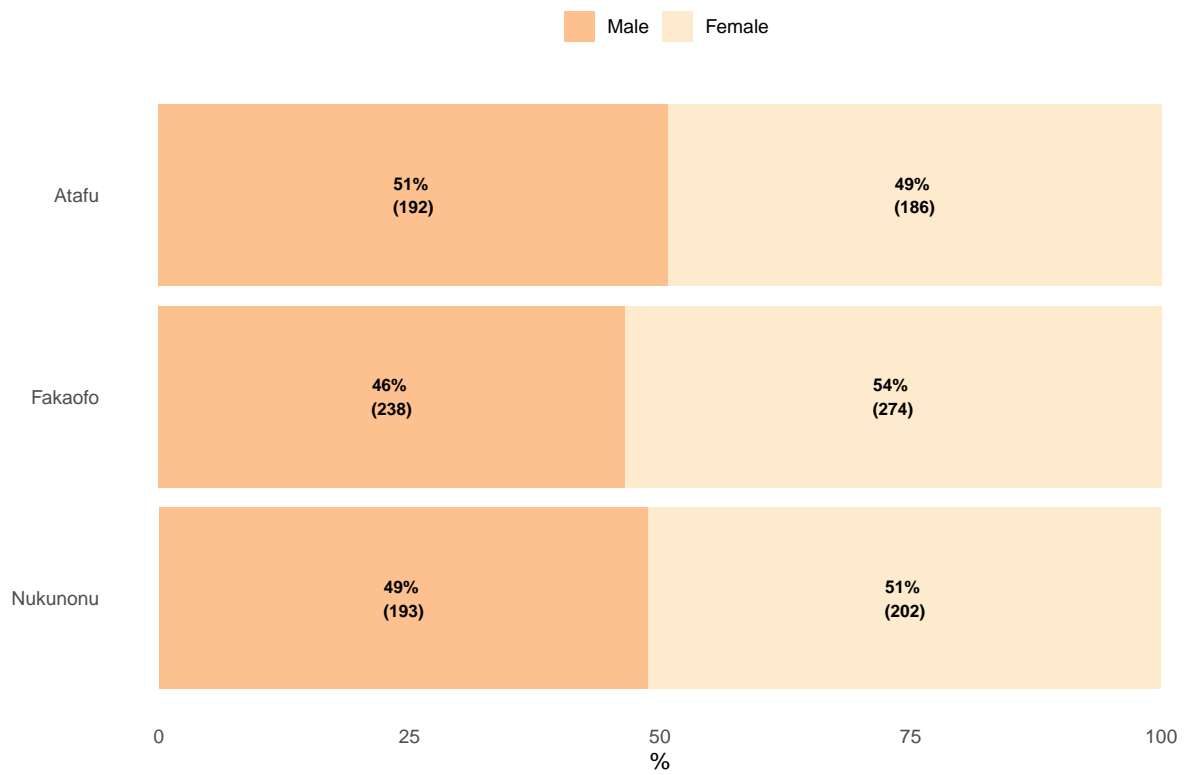


3.5 Main Findings and Conclusions

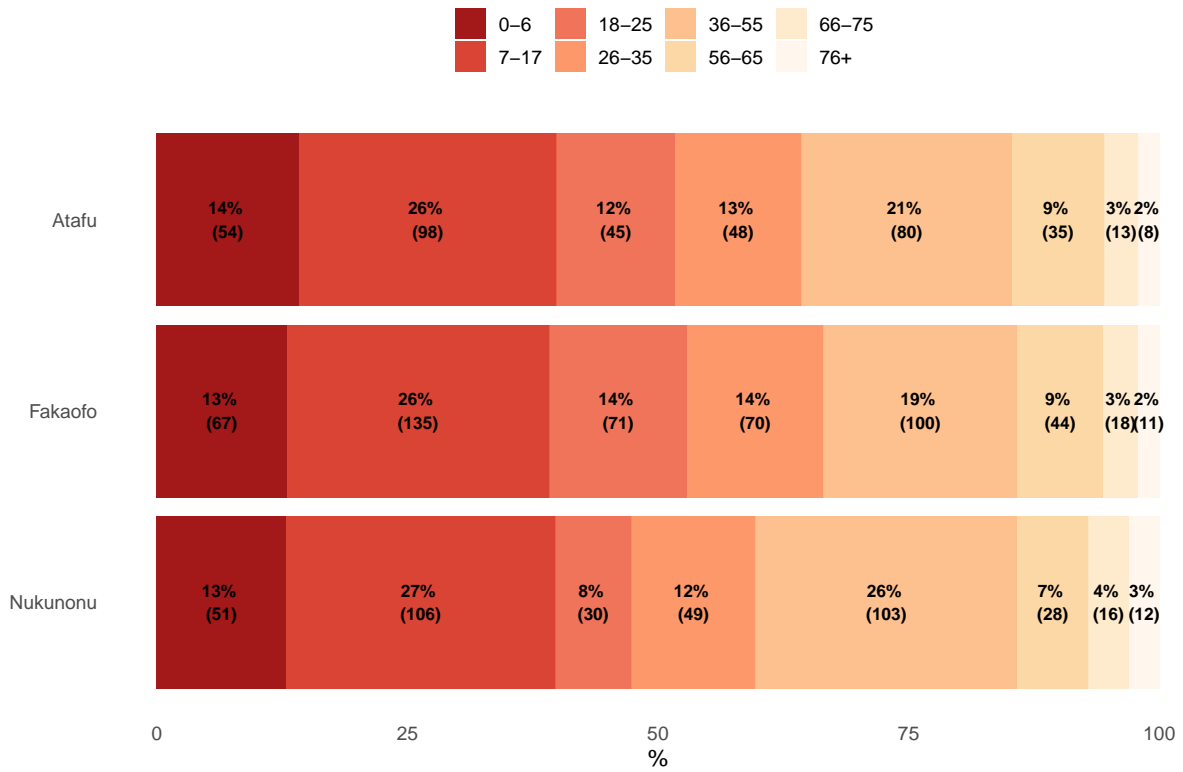
- More than half of the surveyed businesses stated that their business development before COVID-19 was steady over time. However, most of them were affected negatively after the COVID-19 lockdown.
- The performance, the sustainability of businesses, and their ability to overcome the shocks depend on whether the business is family-owned or non-family businesses:
 - family owned businesses experienced less negative impact due to lockdown restrictions;
 - family owned businesses can survive longer compared to non-family owned businesses if the lockdown restrictions are maintained;
 - family owned businesses will be recover quicker compared to non-family owned businesses.
 - Thirty two and 29% surveyed companies expect that the economy of Tokelau will experience a substantial and limited decline (respectively) within the upcoming 2 years.
 - Most part of the businesses (82%) think that the business operations will recover and reach the pre-crisis turnover level within one year if the pandemic and emergency situation will end in a few weeks.
 - The major challenges, the businesses will face during recovery process are: price fluctuations for supplies and other resources, disruptions in supply chains, and disruptions in sales and distribution networks.

4 Annexes

Annex 1: Composition of household members by atolls and gender



Annex 2: Composition of household members by atolls and age



Annex 3: The distribution of the cases of disable people by atolls

Disability	Sample	Percentage
Atafu		
Speech	1	0.262
Visual	2	0.525
Hearing	3	0.787
Epileptic	1	0.262
Physical	2	0.525
Other	4	1.050
No disability	368	96.588
Fakaofu		
Visual	3	0.581
Slow learner	1	0.194
Emotional/Mental	1	0.194
Autistic	2	0.388
Epileptic	3	0.581
Physical	8	1.550
Other	11	2.132
No disability	487	94.380
Nukunonu		
Speech	1	0.253
Visual	5	1.266
Hearing	1	0.253
Slow learner	1	0.253
Epileptic	2	0.506
Physical	2	0.506
Other	6	1.519
No disability	377	95.443