

# Effects of COVID-19 on economic activity in Bolivia\*

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## ABSTRACT

The consequences of the COVID-19 pandemic on economic activity mean setbacks in the labor market, destruction of employment and losses of economic growth in aggregate supply and demand. In the present research, the probability of being unemployed in 2020 was found to increase by 5pp to 10pp until the third quarter of 2020. At the beginning of the pandemic, aggregate supply and demand shocks explained the entire contraction of economic activity; in 2021, it became evident that demand losses are the ones that predominate in the behavior of GDP, which means a persistent setback in the demand capacity of economic agents.

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