

COVID-19 Monitoring Survey in Poor and Slum Areas of Dhaka and Chittagong

Labor Markets Impacts from Round 1

(10 JUNE-10 JULY 2020)



To track the impacts of the COVID-19 crisis on labor markets and household coping strategies, a rapid phone survey was implemented on a representative sample of households living in poor and slum areas of Dhaka and Chittagong City Corporations (CCs). This brief summarizes results from the first round of the rapid phone survey, conducted from June 10 to July 10, 2020 (see Appendix 1 for details of the survey design). This first brief in the series focuses on the labor market impacts of COVID-19.¹

Main messages

The monitoring survey shows considerable job losses from COVID-19 among men and women in both cities. Around 23 percent of adults living in poor and slum areas of Dhaka and Chittagong CCs stopped actively working² between March 25 and the time of the interview, and only 1 in 3 of them expect to return to their previous activity at some point in the future. When asked why they had stopped working, 9 out of 10 respondents attributed this to COVID-19-related disruptions.

Job losses³ were observed across different occupations and have translated into a mix of unemployment and departures from the labor force. Among respondents who had stopped work, job losses were higher in Dhaka (76 percent) than Chittagong (59 percent). Slum areas also show higher job losses. Transitions out of the labor force were higher in Dhaka overall and particularly elevated in the city's slum areas. Dhaka has a larger share of respondents in occupations that have been especially impacted (for example, male transport workers and females in housemaid services). This distinctive sectoral composition of employment appears to explain the more severe impacts in Dhaka.

Women have been disproportionately affected. Women working as housemaids comprised about half of all job losses for females. Women who have lost jobs are more likely to leave the workforce than men in the same situation.

For those still actively working, incomes have declined, particularly in Dhaka and for women.

About 80 percent of wage workers and 94 percent of own-account workers said that their earnings were lower than usual. Median wages for salaried and daily workers declined by about 37 percent compared to usual earnings right before COVID-19. Workers in Dhaka and females experienced sharper drops in median wages, 42 and 43 percent, respectively. The larger reductions in wages for women are consistent with their high engagement in the garment sector and housemaid services, both of which have been severely impacted by COVID-19. The larger wage declines in Dhaka reflect the different occupational composition of the workforce.

The monetary losses for those still working were accompanied by general uncertainty about keeping jobs and businesses running.

Only 58 percent of workers thought they would be able to keep their job or activity running in the month following the survey. Uncertainty is significantly higher in Dhaka than Chittagong. The labor market uncertainties are also reflected in a high level of anxiety or stress among respondents: 80 percent of adults reported experiencing stress or anxiety that affected their ability to carry out daily activities; 4 in 10 indicated this was due to fears of losing jobs and income.

¹ For more details see <https://worldbankgroup.sharepoint.com/sites/Poverty/Pages/SARDataLabBD-05112020-164923.aspx>

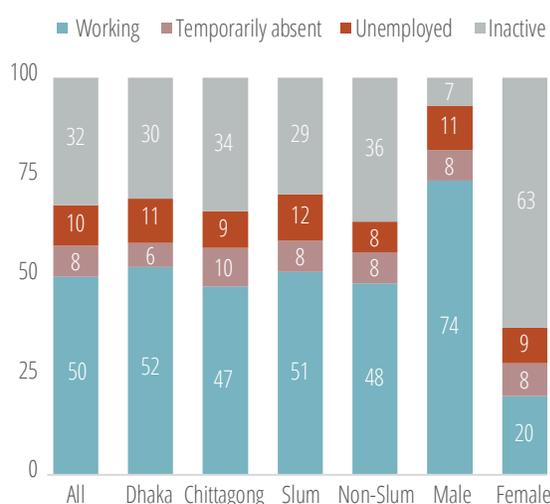
² Actively working respondents are those who report working for income in any type of activity (formal or informal, full or part-time) in a reference period.

³ A job loss is defined as a worker who became unemployed (i.e. actively searching for jobs) or left the labor force.

Findings

Half of the adults living in poor and slum areas of Dhaka and Chittagong CCs were actively working in the week preceding the interview.⁴ Thirty-two percent were out of the labor force, 10 percent were unemployed (seeking jobs), and 8 percent reported being temporarily absent from their jobs (Figure 1). About 7 in 10 males were working, compared to 20 percent of females. In Dhaka, the share of adults working was 5 percentage points higher than in Chittagong (both for males and females). Slum areas showed a large share of adults participating in the labor force (working, absent, or unemployed).

Figure 1. Labor status in the week preceding the interview (% of respondents aged 15 years and older)



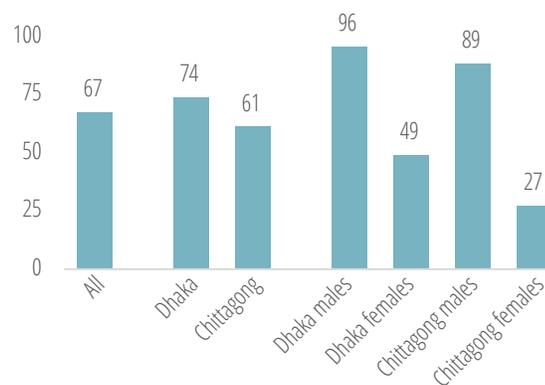
Note: Inactive are those respondents out of the labor force. Unemployed are those who are actively searching for jobs. Temporarily absent are those who are not looking for jobs because they expect to go back to their original employment.

Comparing with baseline data collected during the two years preceding COVID-19, these figures point to a significant decline in the share of adults working (Figure 2). About 74 percent of this same group of Dhaka respondents were engaged in an income-generating activity in the month preceding their baseline survey (conducted between July and September 2018). In Chittagong, 61 percent of the same surveyed adults had been working in the month preceding their baseline

⁴ Active work refers to workers that spent a positive number of hours at the job earning income.

interview (conducted between September and October 2019). At the time of the respective baseline interviews, the share of men actively working in the past month was 96 percent in Dhaka and 89 percent in Chittagong. For women, 49 percent of those living in Dhaka and 27 percent of those living in Chittagong were working at that time. Due to women's lower participation in the labor market, the proportional impact of recent changes on women's employment is much higher than for men, but even for men the suggested decline in employment is substantial.⁵

Figure 2. Percentage of adults working the month preceding the baseline interview



The apparently lower levels of employment are consistent with a significant share of adults stopping work since March 25, when the official COVID-19 lockdown was announced. Around 23 percent of adults stopped actively working between March 25, 2020, and the time of the interview. In Dhaka, 1 in 4 respondents reported not actively working in the week preceding the interview but having worked before March 25, 2020. In Chittagong this figure was 22 percent. Slum areas showed a higher share of people stopping work (26 percent) compared to non-slum poor areas (19 percent).⁶ The shares

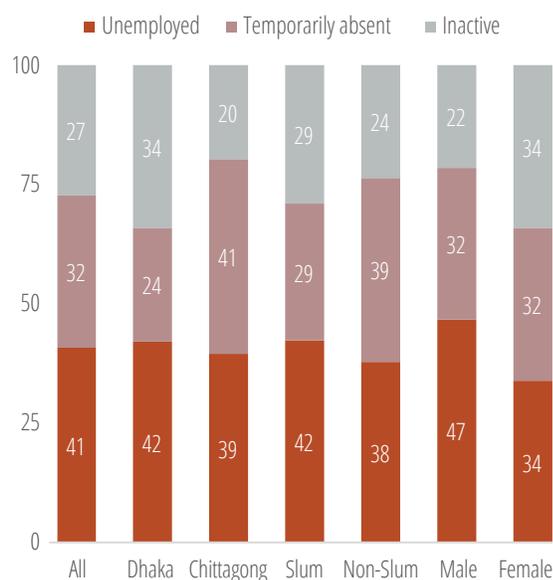
⁵ Note that the reference periods in the baseline and first follow-up surveys are different (30 days versus 7 days, respectively); thus, an exact employment change cannot be calculated. These large employment declines, while not directly comparable, are too large to be attributable to differences in recall period. In addition, as the baseline survey was conducted well before the COVID-19 crisis, the change cannot be exclusively attributed to COVID-19.

⁶ This is observed both in Dhaka and Chittagong slums.

of men and women stopping work were 23 and 24 percent, respectively. As noted, given their lower labor force participation, women's employment has been relatively more affected. When asked why they had stopped working, 9 out of 10 respondents attributed the change to COVID-19-related disruptions.

The group of respondents that stopped actively working is composed of people expecting to resume work, searching for a new job, or exiting the labor force (Figure 3). About 32 percent of adults who had stopped working after March 25 were not searching for jobs, as they expected to resume their previous activity. However, the remaining 68 percent seem to have experienced a job loss, as they report exiting the labor force or currently searching for jobs. Job losses were higher in Dhaka (76 percent) than Chittagong (59 percent). Slum areas also show higher job losses (71 percent) than non-slum areas (61 percent). The share of persons stopping work who have lost their jobs does not differ widely by gender, but men are more likely to actively look for another job, while women are more likely to exit the labor market. Only 2 in 10 men stopping active work exited the labor force, compared to more than 1 in 3 women. It is also important to note that some of the respondents expecting to resume their previous jobs may not be able to, thus actual job losses may have been higher than these results initially suggest.

Figure 3. Employment status among respondents who stopped active work after March 25 (% of adults)



Note: Inactive are those respondents who left the labor force. Unemployed are those who are actively searching for jobs. Temporarily absent are those who are not looking for jobs because they expect to go back to their original employment.

Job losses are observed across different occupations, with women in housemaid services disproportionately impacted (Table 1). The workers reporting job losses were engaged

Table 1. Percentage of workers across occupations by work status in 2020 and by gender

Occupation	Males			
	Worked in 2020	Worked past week	Stopped active work since March 25	Lost job since March 25
Drivers	13%	16%	5%	6%
Garments worker	6%	7%	6%	7%
Transport worker	7%	6%	10%	13%
Construction worker	8%	8%	10%	13%
Retail or sales worker	3%	3%	3%	5%
Porter	14%	14%	13%	13%
Cleaning or housemaid	1%	1%	0%	0%
Wage - other	8%	8%	8%	5%
Professional skilled	6%	5%	11%	7%
Own account - retail or trade	22%	24%	18%	15%
Own account - other	11%	9%	16%	16%
Total	100%	100%	100%	100%

Females

Occupation	Worked in 2020	Worked past week	Stopped active work since March 25	Lost job since March 25
Drivers	0%	0%	0%	0%
Garments worker	28%	42%	16%	19%
Transport worker	0%	0%	0%	0%
Construction worker	1%	0%	2%	3%
Retail or sales worker	0%	0%	1%	1%
Porter	1%	0%	1%	1%
Cleaning or housemaid	43%	28%	56%	54%
Wage - other	7%	9%	6%	4%
Professional skilled	4%	2%	5%	1%
Own account - retail or trade	11%	14%	9%	10%
Own account - other	5%	5%	5%	7%
Total	100%	100%	100%	100%

Note: "Wage - other" groups occupational categories of less than 2% for the total sample.

across different types of occupations.⁷ Comparing with the occupations of active workers, job losses among men are not concentrated in a particular group of activities, though they are slightly more likely for transport and construction workers and less likely for drivers (rickshaw, private cars, etc.). For women, job losses are also observed across occupations. However, comparing with the share of women actively working, or who worked in 2020, females in housemaid services have been more affected: 68 percent of female housemaids and cleaners stopped actively working since March 25. Dhaka has a larger share of respondents in occupations that have been disproportionately affected (in particular male transport workers and women who provide housemaid services). This distinctive sectoral composition of employment appears to explain the differences with findings in Chittagong.

For those still working, income losses are important in both Dhaka and Chittagong. About 80 percent of wage workers and 94 percent of business owners said that their earnings were lower than usual. Median wages

⁷ Job losses are significantly different from zero in statistical terms across all occupational groups presented in Table 1 for both males and females. However, the sample for some occupations is small. Results for occupational groups representing less than 10 percent of respondents should be interpreted with care.

for salaried and daily workers declined by about 37 percent compared to usual earnings right before COVID-19.⁸ The decline was higher in Dhaka (42 percent) than Chittagong (33 percent) and in slum areas compared to non-slum poor areas (43 and 33 percent, respectively).⁹ The more severe impact of the crisis in poor areas of Dhaka seems to be explained by the different occupational composition of workers. Dhaka has a larger share of respondents in occupations that have been strongly affected (in particular male transport workers and housemaid services).¹⁰

⁸ The labor market questions for daily workers in the follow-up questionnaire were simplified due to time constraints. To estimate daily wage changes for daily workers, reported weekly hours were converted to daily hours assuming 8 hours of work per day and allowing a work week to be up to 7 days.

⁹ Comparisons are statistically significant conditional on the different slum/non-slum composition of the cities.

¹⁰ Dhaka showed wage declines larger than Chittagong for both genders. A multivariate regression for the probability of reporting an income loss and the change in income for daily and wage workers indicate that different occupations have experienced income losses and that, conditional on the occupation, the location of the worker (Dhaka or Chittagong) is not significantly correlated with wage declines. When comparing wage changes across sectors and cities, Chittagong appears to show larger income reductions (sample sizes are too small to confirm statistically significant differences in many cases). This indicates that Dhaka's poorer performance is probably related to the different distribution of workers across sectors, and the larger reliance on COVID-19-vulnerable occupations, rather than to larger wage drops within sectors.

Reductions in wages for salaried and daily workers are significantly higher for women, consistent with their high engagement in the garment sector and housemaid services, which have been severely impacted by COVID-19.

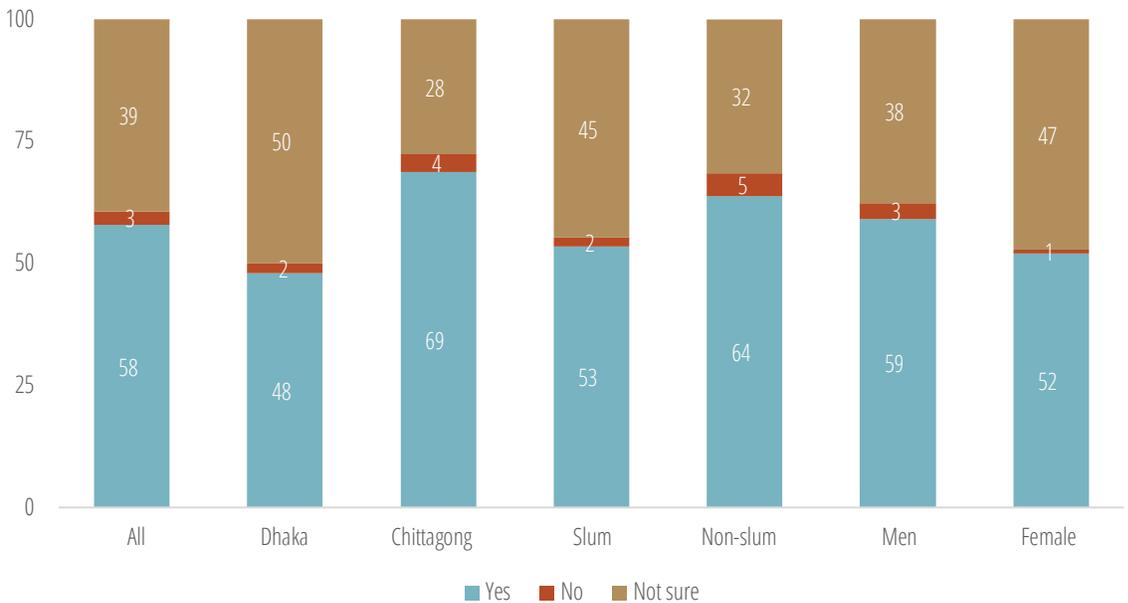
The median wage decline for women was 43 percent, compared to 33 percent for men. Table 1 shows that actively working women were mainly concentrated in the garment industry (42 percent) or working as a housemaid or cleaner (28 percent). Conditional on place of residence, age, and education, females were 13 percent more likely to report a wage loss than males and experienced a 14 percent larger wage loss than males.

The monetary losses for those still working were accompanied by widespread uncertainty about keeping jobs and businesses running (Figure 4). Only 58 percent of workers thought they would be able to keep their job or activity running in the month following the survey.

In Chittagong, 69 percent of workers expected to remain working. Compared to Chittagong, Dhaka shows a much higher degree of uncertainty about employment prospects, with only 48 percent of workers thinking they would keep their income-generating activity. Slum residents and women show higher levels of uncertainty: 53 percent of workers in slums expected to remain at their jobs (compared to 64 percent in non-slum areas), and 52 percent of women (compared to 59 percent of men).

The labor market uncertainties are also reflected in a high level of anxiety or stress among respondents. About 80 percent of adults reported experiencing stress or anxiety that affected their ability to carry out day to day activities in the month preceding the interview. The main reasons cited were fears of the effect of COVID-19 on self and family (56 percent of respondents) and fear of loss of income (41 percent of respondents).

Figure 4. Expectations about keeping current employment next month
(% of adults who worked in the past week)



APPENDIX 1.

Survey details

The monitoring survey built on baseline surveys conducted before the COVID-19 crisis. The monitoring survey sample for Dhaka is a follow-up of the DIGNITY (Dhaka low Income area GeNder, Inclusion, and poverTY) survey, which was representative of low-income areas and slums of the Dhaka City Corporations and an additional low-income site from the Greater Dhaka Statistical Metropolitan Area, following a two-stage stratification design. The primary sampling units were selected during the first stage using probability proportional to size (PPS), stratified by the poverty headcount ratio estimated using small-area techniques. All the households in the selected enumeration areas were listed during the second stage, from which 20 households were selected for interviewing based on demographic stratification. The second level of stratification was defined as follows: (i) households with both working-age male and female members; (ii) households with only a working-age female; (iii) households with only a working-age male. Households were randomly selected from each stratum with the predetermined ratio of 16:3:1.¹¹ The DIGNITY survey, administered between July and September 2018, collected information from 2,376 individuals across 1,302 households.

The monitoring survey in Chittagong is a follow-up of the CITY (Chittagong Low Income Area Inclusion, and PoverTY) survey carried out in Chittagong City Corporation following the same sampling strategy as in the DIGNITY

survey. Data was collected from 1,289 individuals across 805 households between September and October 2019.

For the monitoring survey, a representative sub-sample of 1,500 households out of a total 2,107 baseline households was targeted. The recontact rate was 1,483 households (99.5 percent). In this first tracking survey, 1,483 out of the 3,665 adults surveyed in baseline were covered. It is important to note that at the moment of the follow-up 2.3 percent of adults had moved residence from their baseline location. The analysis includes those adults even though they are currently located outside the City Corporations. Given the small share of the sample that moved, the results are not affected.

Table A1 presents some descriptive characteristics by area and gender. The adults interviewed were 35 years old on average and 45 percent of them were female. Approximately 57 percent of the adults interviewed were the main breadwinner of households with an average household size of 4 people. On average, 1.4 household members generate income. Respondents from Dhaka are more likely to be living in slum areas than those located in Chittagong (70 versus 52 percent, respectively). Chittagong households are larger (0.4 members more on average) and therefore show higher dependency ratios. Fifty percent of slum residents are women, on average, contrasting with a lower percentage in other areas (40 percent).

Table A1. Descriptive characteristics of adults living in poor and slum areas of Dhaka and Chittagong

	All	Dhaka	Chittagong	Slum	Non- Slum	Male	Female
Female (%)	44.8	45.3	44.2	48.7	39.4		
Age (mean)	35.0	35.1	34.8	34.7	35.6	37.1	32.5
Breadwinner (%)	57.4	58.7	56.2	56.9	57.6	92.1	14.7
Household members (#)	4.3	4.1	4.5	4.2	4.4	4.2	4.3
Members who contribute to HH earnings (#)	1.41	1.43	1.38	1.44	1.36	1.43	1.39
Slum (%)	61.1	70.4	52.0			57.0	65.9
Dependency ratio (Members 15-64/Members <15 and 65+)	0.59	0.57	0.61	0.60	0.57	0.55	0.63
Observations	1483	836	647	951	493	770	713

Note: Information from Round 1 collected between June 10 and July 10, 2020. Figures are weighted.

¹¹ Kotikula, A.; Hill, R.; Raza, WA (2019). What Works for Working Women? Understanding Female Labor Force Participation in Urban Bangladesh. Report. Washington, DC: World Bank.