

Impact Study of ride-sharing as job option after Covid-19

By Innovision Consulting



TABLE OF CONTENTS

01

**RIDE-SHARING
INDUSTRY**

02

**PURPOSE
OF THE STUDY**

03

**METHODOLOGY &
SAMPLING**

04

**KEY
SUMMARY**

05

**KEY
DATA**

06

**DEMOGRAPHY OF THE
RESPONDENTS &
APP USAGE**

07

**IMPACT ON
EMPLOYMENT AND
SKILLS ACQUISITION**

08

**IMPACT ON FAMILY
NUTRITION & FAMILY
INCOME**



RIDE SHARING INDUSTRY | BANGLADESH

12 licensed ride-sharing companies in Bangladesh at present. [1]

Ride-sharing industry is valued at **BDT 2,200** crore. [2]

The industry makes up about **23%** of the country's transportation sector. [2]

Since January 2019, commuters have taken six million rides on average every month using ridesharing apps. Industry experts expect that the figure is over **7.5 million** at present, in 2021. [2]

In March 2021, there were **23,493** vehicles in the ride-sharing industry; **80%** of these vehicles were motorbikes. [3]



[1], [2] [With 7.5m rides a month, ridesharing services take over Bangladesh](#), The Business Standard, Feb 2020,

[3] [Ride-sharing businesses hit hard by Covid-19 again](#), Dhaka Tribune, April 06, 2021



PURPOSE OF THE STUDY

1

To understand the impact of ride-sharing as a job option during the Covid-19 pandemic.

2

To understand if there is an increase in the job of the rider and if there is an increase in migrating workers from villages to the cities.

3

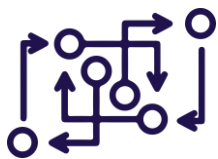
To find if people from other professions have increased interest in the job of the rider after the Covid-19 pandemic has hit.

4

To know if a ride-sharing platforms were able to create job opportunities for youths who were unemployed or underemployed.

5

To understand if there is demographic shift among the riders after the Covid-19 pandemic started.



METHODOLOGY & SAMPLING

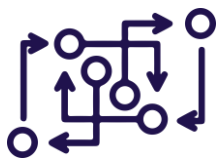
Mixed Method:

Quantitative Survey & a few Qualitative questions.

Sample group was assumed to be homogeneous in nature, all of them were bike riders and only confined to Dhaka metropolitan area. With 95% confidence interval rate and 5% margin of error, we decided to opt for 600 sample size.

Although actual surveyed riders are 616. The database of these riders is divided into two groups. We wanted to understand if ride sharing platforms had any impact on job market before and after Covid-19 pandemic. That's why we had divided our respondents into two groups.





METHODOLOGY & SAMPLING (Contd)

Questions were slightly different for two groups of people, with majority of the questions being similar.

New Riders:

500+ riders from Dhaka and joined the ride sharing platforms only after March 2020 or after the Covid-19 pandemic.

Old Riders:

100+ riders from Dhaka and joined the ride sharing platforms before March 2020.





KEY SUMMARY

Ride sharing platforms are creating a job solution for workers who could not attain tertiary education.

Ride sharing platforms are creating a job solution for these underserved working class of blue collar workers, where they can easily onboard with their existing skills set, earn decent amount respectfully and send money to their families in villages.

Ride sharing platforms can tap into **20-25 Mn** blue collar workers job market.



KEY DATA



~**69%** of the riders are from outside of Dhaka.



Majority of the riders earn between **20-30K** BDT/month.



~**64%** send remittance to their family.



~**64%** of the riders wish to opt ride sharing platform as permanent job solutions.



67% riders could not attain tertiary education. They are mostly HSC Pass or below.

Demography of the respondents & App Usage





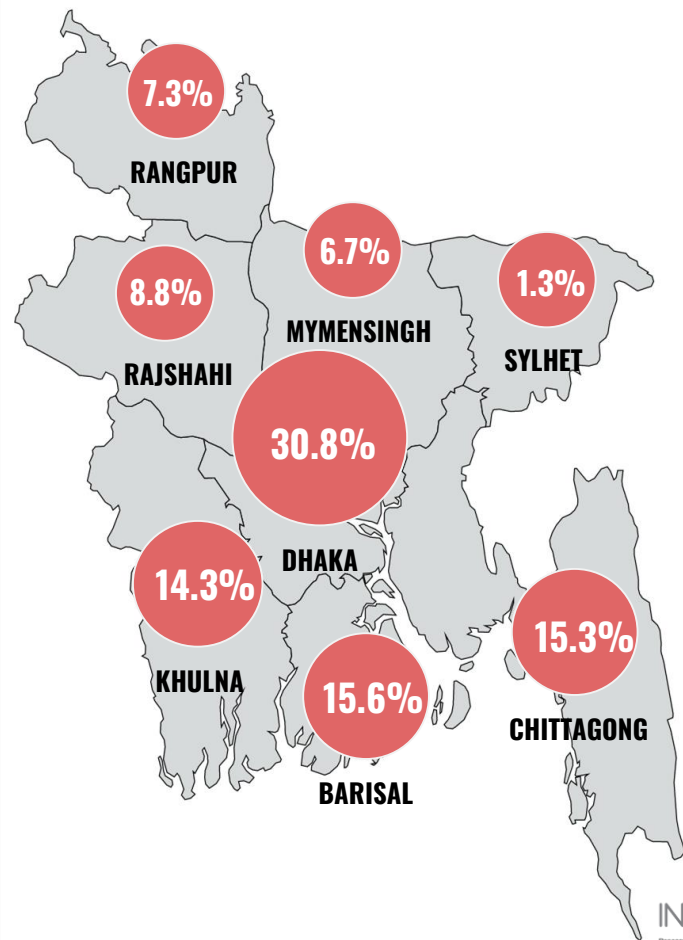
RIDER'S HOME-TOWN*

~31%
of riders are
from Dhaka.

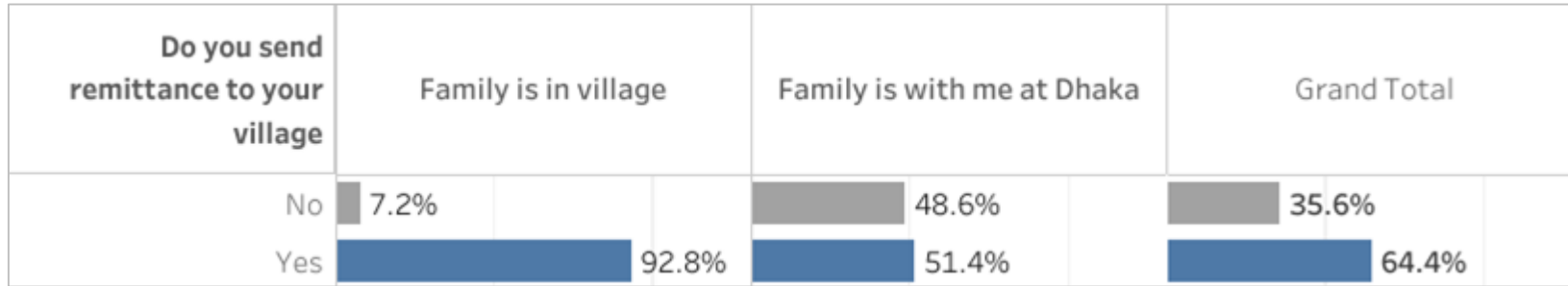
~69%
of riders are from
out of Dhaka.

- Barisal ~16%
- Chittagong ~15%
- Khulna ~14%

*n=616

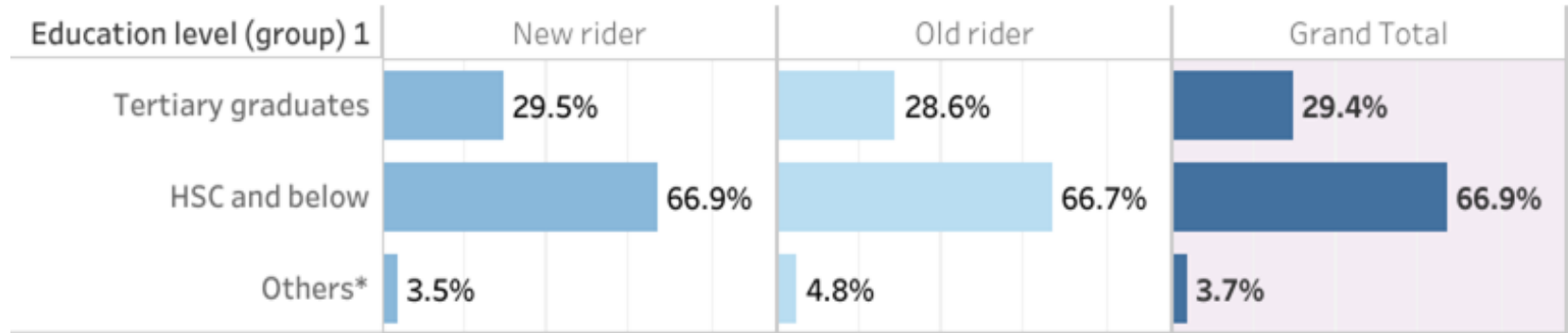


~64% riders send remittance to their families in village.



Remittance data broken down by location of their family. n= 616

~67% riders could not attain tertiary education. They are mostly HSC Pass or below.



Education level broken down by Status of the riders (New rider and Old rider). n=616.

* Others = Below Class 5 or No formal education.

Most of the riders earn between **20-30K BDT** per month.

	<10K	10K+	20K+	30K+	40K+	50K+	60K+	80K+	90K+	100K+	200K+
New rider	2.5%	16.2%	47.2%	25.0%	5.1%	2.2%	1.0%	0.2%	0.2%	0.2%	0.2%
Old rider	4.8%	11.4%	41.9%	24.8%	11.4%	3.8%	1.0%			1.0%	
Grand Total	2.9%	15.4%	46.3%	25.0%	6.2%	2.4%	1.0%	0.2%	0.2%	0.3%	0.2%

Riders monthly income ranges broken down by their status (New rider and Old rider). Earning is depicted as after deducting their expenses related to fuel, bike maintenance, etc. n=616.

Most of the riders (~43%) have 20K+ BDT monthly household expense.

	<10K	10K+	20K+	30K+	40K+	50K+	60K+	70-80K
New rider	1.2%	38.7%	43.6%	11.9%	2.5%	1.2%	0.6%	0.2%
Old rider	1.9%	26.7%	41.9%	21.9%	2.9%	4.8%		
Grand Total	1.3%	36.7%	43.3%	13.6%	2.6%	1.8%	0.5%	0.2%

Riders monthly expense ranges broken down by their status (New rider and Old rider). n=616.

Significant number of riders (~27%) have very limited opportunity to have savings, as their monthly income and household expenditure are almost equal.

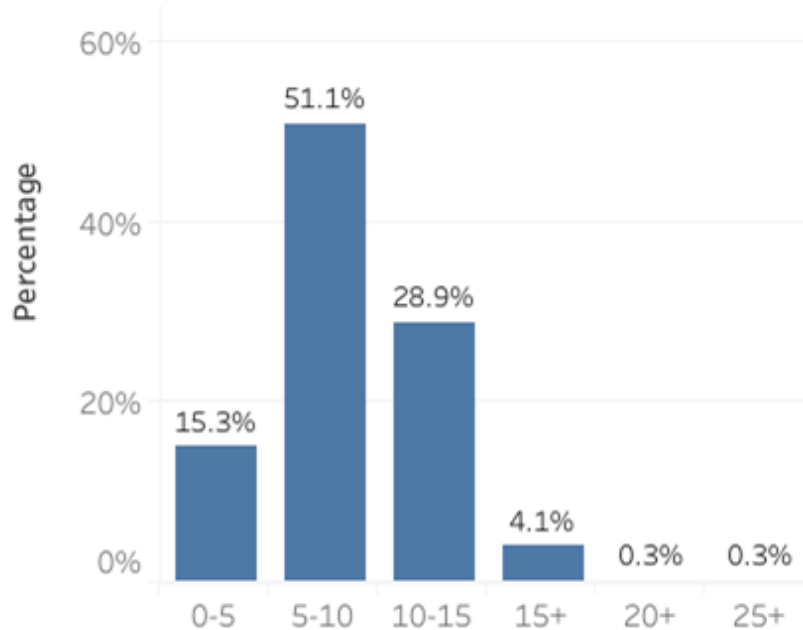
Monthly expenses in BDT →

Monthly income in BDT ↓

	<10K	10K+	20K+	30K+	40K+	50K+	60K+	70-80K
<10K	0.8%	0.6%	0.5%	0.6%	0.2%	0.2%		
10K+	0.5%	13.0%	1.6%	0.3%				
20K+		17.9%	27.3%	0.6%	0.3%	0.2%		
30K+		4.9%	11.5%	8.4%	0.2%			
40K+		0.2%	1.9%	2.9%	1.1%			
50K+		0.2%	0.5%	0.5%	0.6%	0.6%		
60K+				0.2%		0.3%	0.5%	
80K+						0.2%		
90K+					0.2%			
100K+						0.3%		
200K+								0.2%

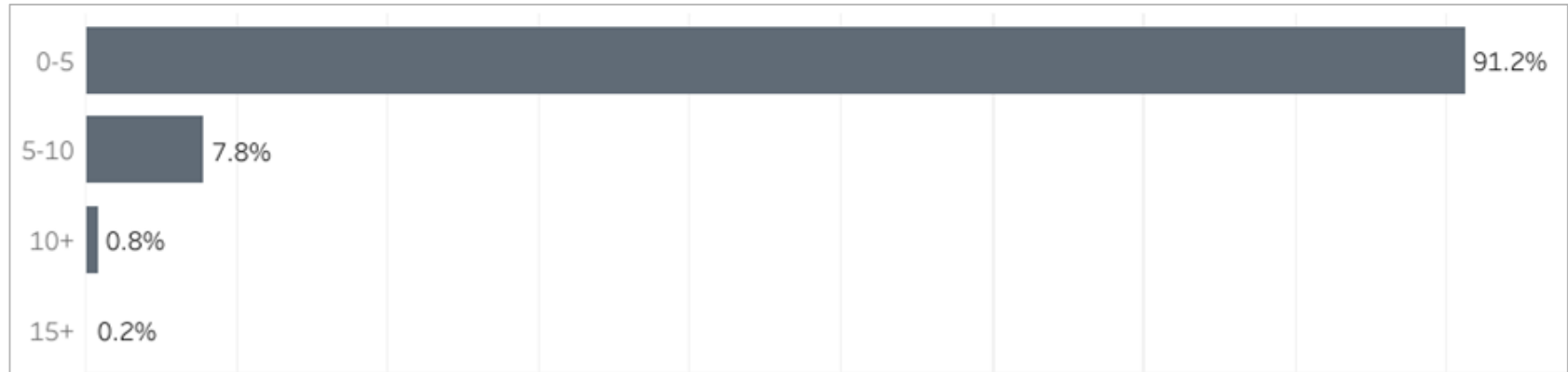
Riders monthly expense ranges broken down by monthly income ranges. n=616.

Majority of the riders (**51%**) get around 5-10 trips online/day.



Data shown for ranges of daily trips riders get through ride-sharing platforms or apps. n=616

Majority of the riders (**91%**) do not get more than 5 trips offline/day.

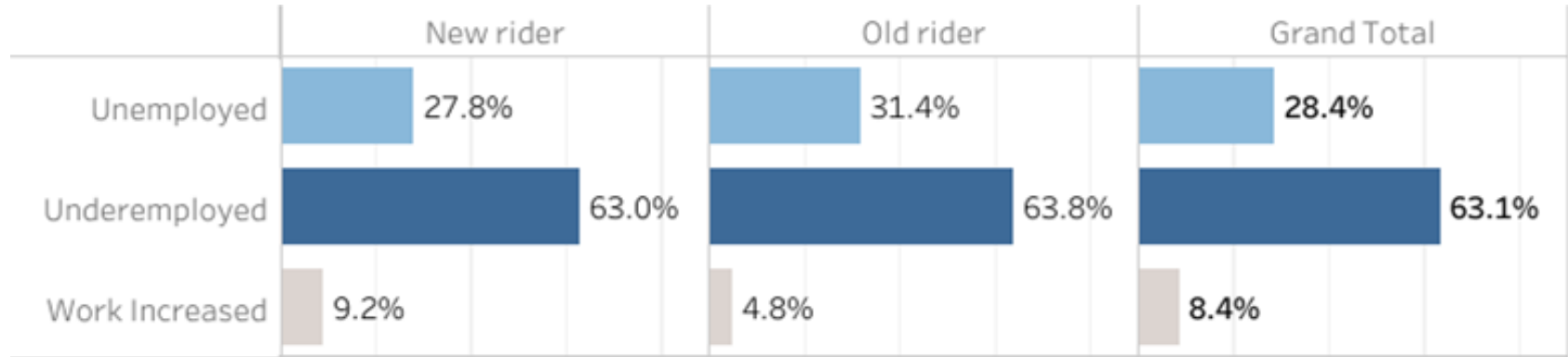


Data shown for ranges of daily trips riders get without any ride-sharing app. n=616

Impact on Employment and Skills acquisition



63% of the riders were underemployed during the Covid-19 pandemic.



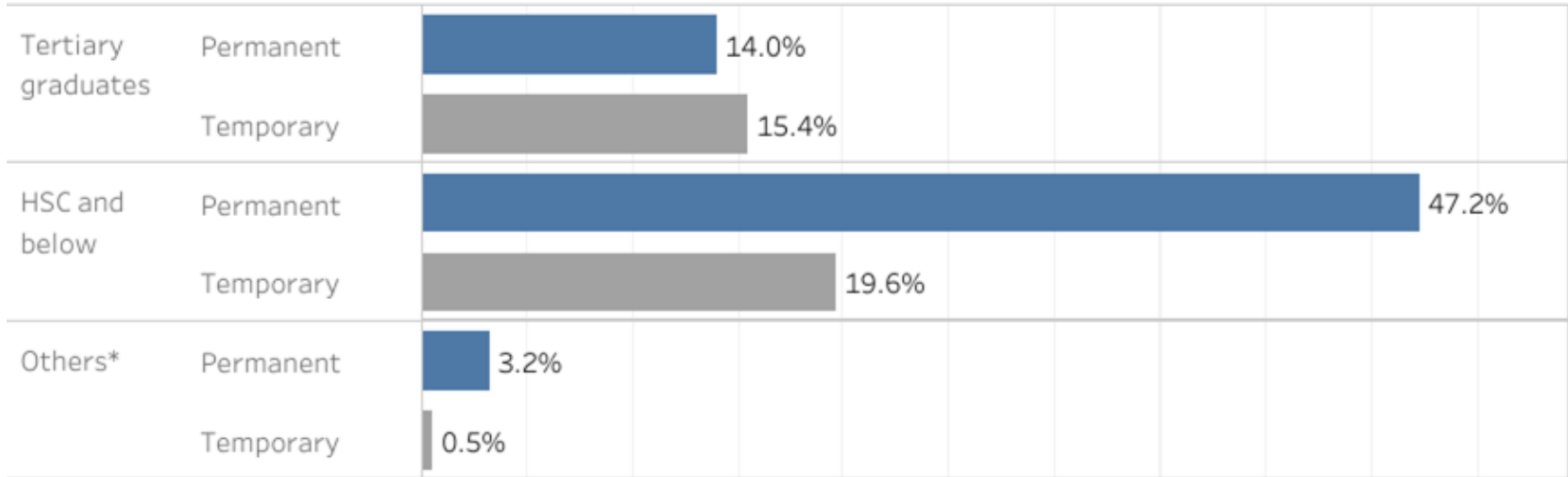
Data shown for riders job status during the Covid-19 pandemic, broken down by their current rider status.
n=616

64% of the riders think they will use rider-sharing platform as permanent job solution.



Data shown for the question if riders will opt ride-sharing as permanent job solution. n=616

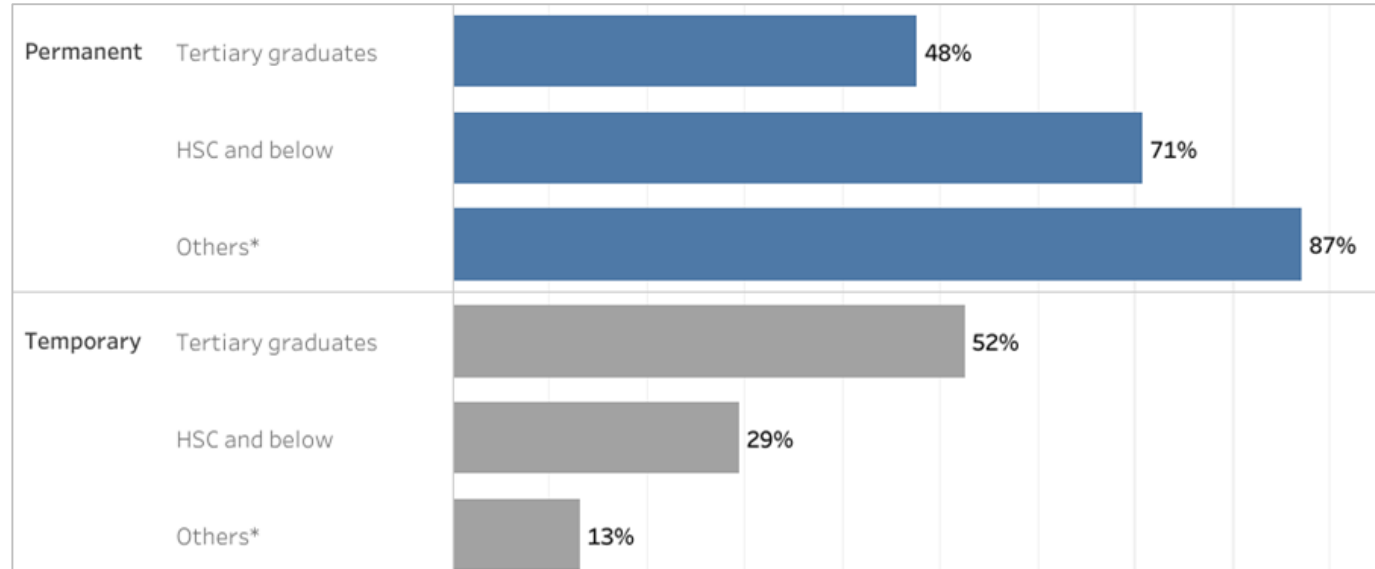
Riders who DO NOT have tertiary education (**47%**) i.e. HSC & below educated want to opt ride sharing platform as permanent job solution.



Data shown if riders will opt ride sharing platform as a permanent job solution, broken down by their education level. n=616.

*Others= Below Class 5 or No education.

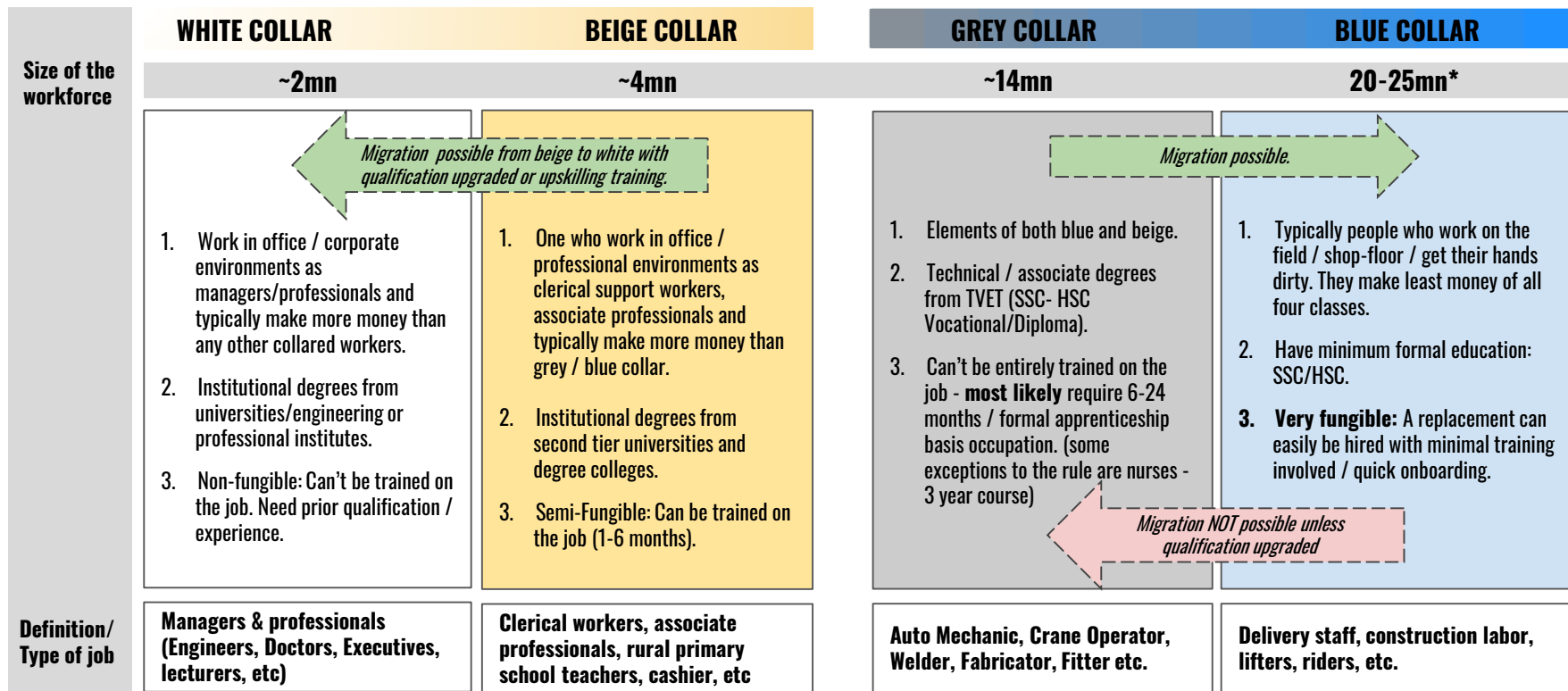
Riders who DO NOT have tertiary education, HSC & below (71%) and Below Class 5 (87%), tends to opt ride sharing platforms as permanent job solution.



Data shown if riders will opt ride sharing platform as a permanent job solution, broken down by their education level. n=616

*Others= Below Class 5 or No education.

HOW CAN WE DEFINE THE BANGLADESHI JOB MARKET?



* This number does not include the agricultural labour. There is also a category of 'No Collar' workers which includes rickshaw-pullers, street vendors, etc. We exclude them from the scope of this discussion. They are around 10-15 millions in number. Total size of the workforce in Bangladesh is 63.4 million. [Breakdown is based on Labor Force Survey 2016-17](#). If considered the updated labor force of 2019 then the total workforce will be around 70 million.

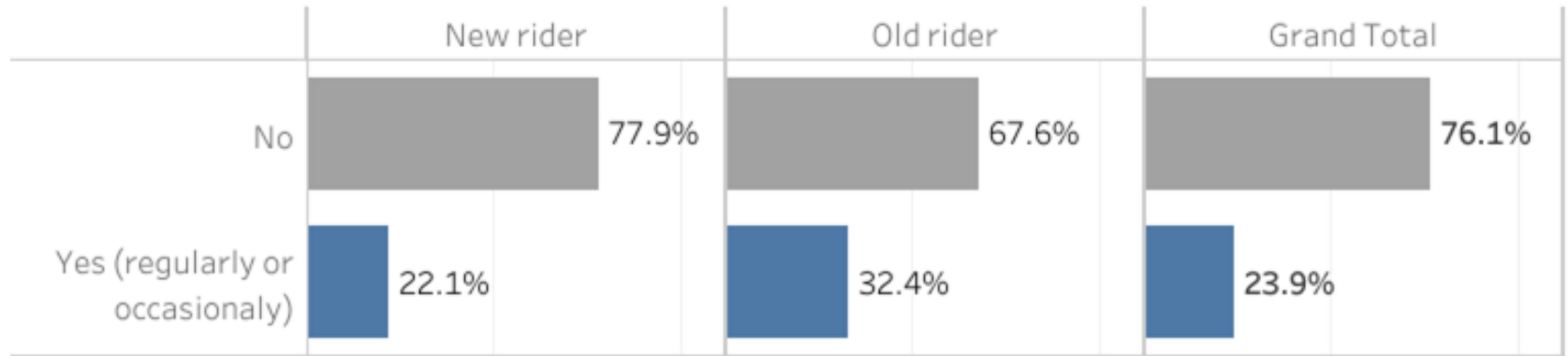
From the previous job market break down and our survey analysis, we can see ride sharing platforms are providing a sustainable income source for Blue collar workers with limited educational qualifications.

Potential size of this prospective users (as riders) group is **20-25Mn** people.

And they do not require complicated skills to be onboarded, can start earning almost immediately using ride sharing platforms.

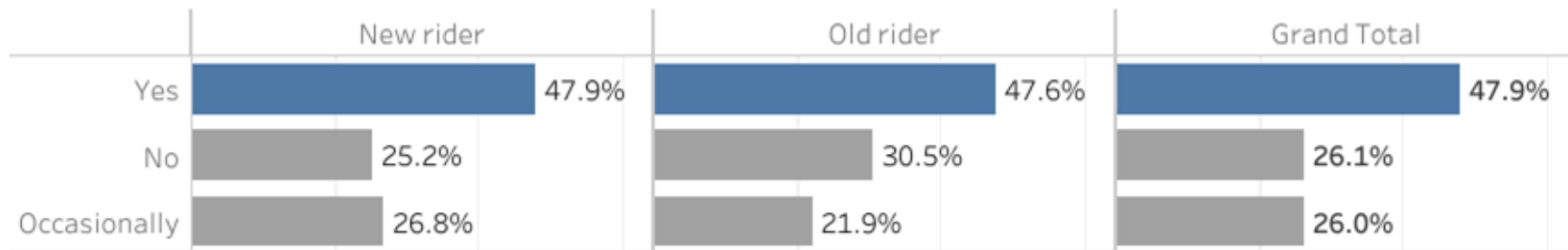


24% of the riders use more than one ride sharing platforms regularly or occasionally.



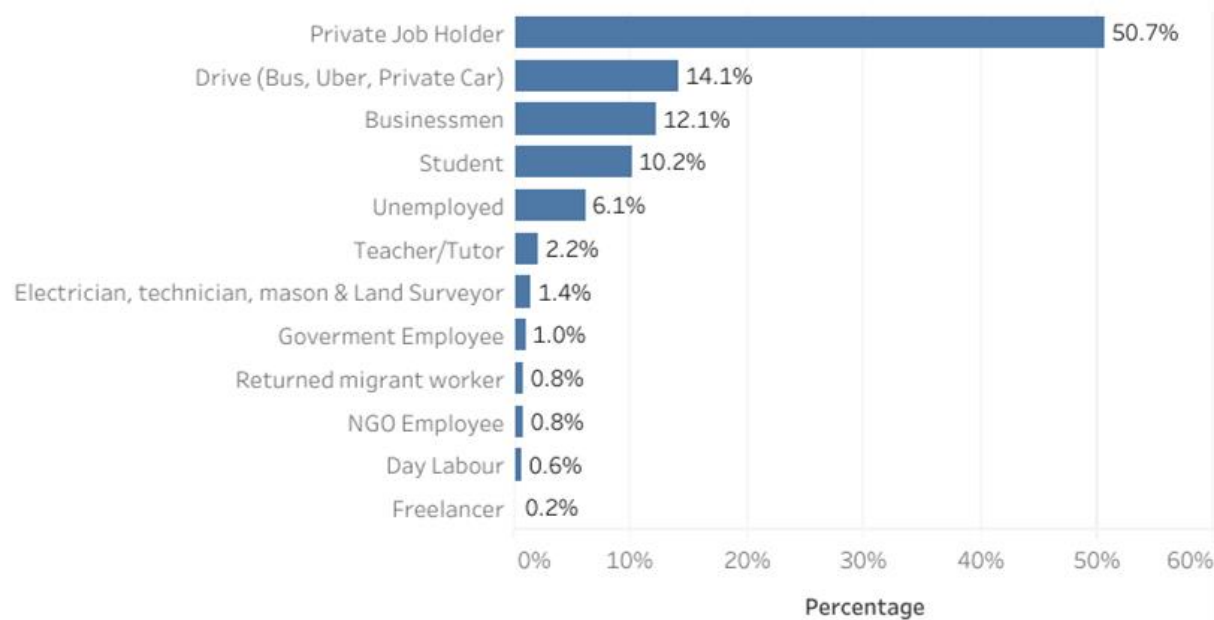
Data shown if riders use more than one ride sharing platforms, broken down by their job status (New rider or Old rider) . n=616

48% of the riders observed an increase in income during the Covid-19 pandemic after using ride sharing platforms.



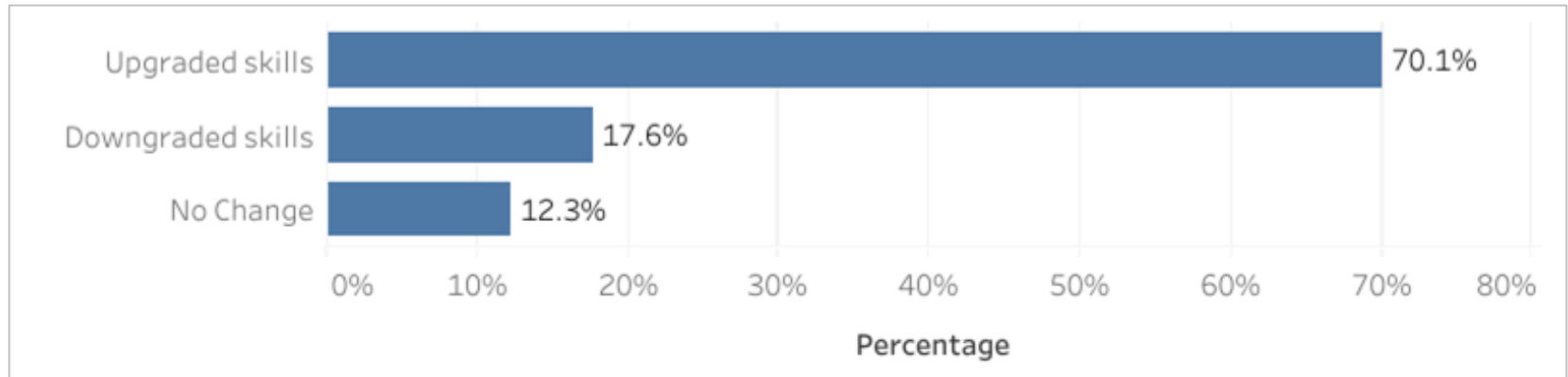
Data shown on the question if there was a increase in income during the Covid-19 pandemic using ride sharing platforms, broken down by riders status (New rider or Old rider). n=616.

~51% of the riders used to work as Private job holders.



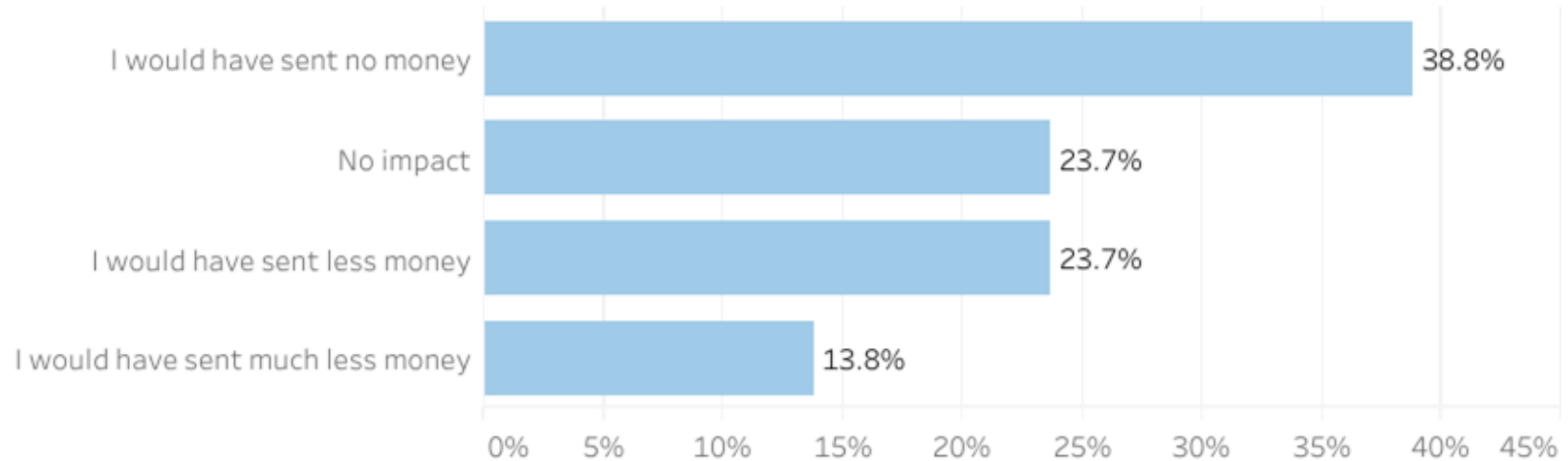
Data shown for the previous jobs of the new riders. n=511.

70% of the New riders perceived an upgrade in their skills, after joining ride sharing platforms.



Data shown for change in perception of skills upgradation of the new riders. n=511.

~39% of the riders could not have sent money for their family in village, if ride sharing platforms were not available.*

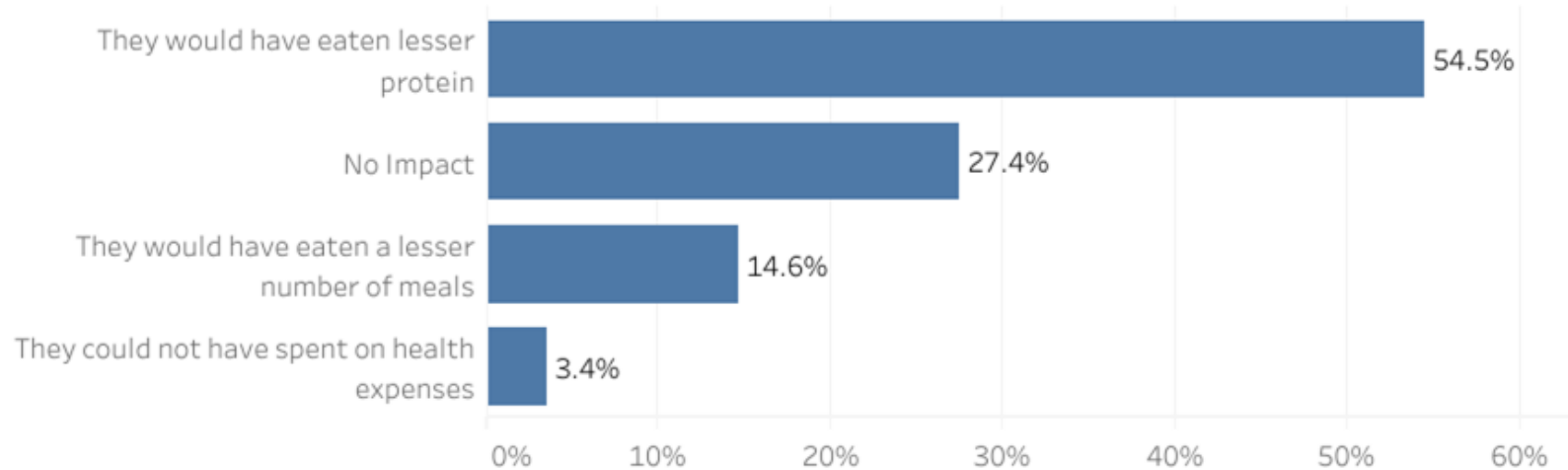


*n=511

Impact on Family Nutrition & Family Income

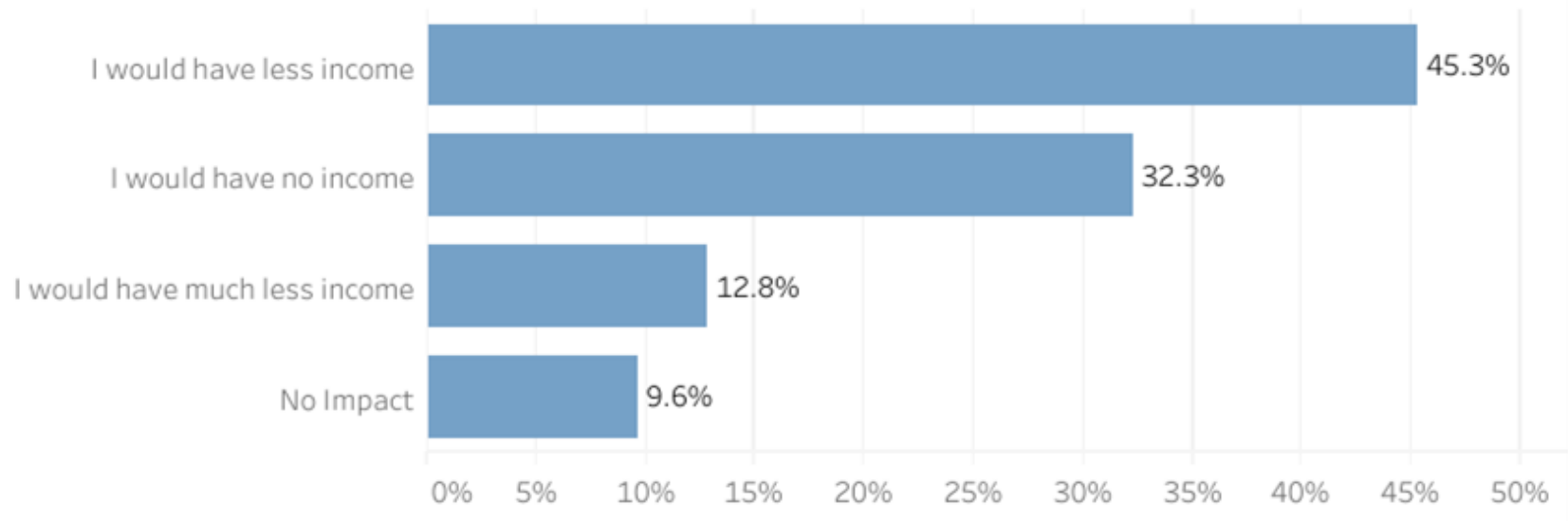


~55% of the riders' families would have eaten lesser protein if ride sharing platforms were not available.*



*n=511.

~45% of the riders' think, they would have earned less if ride sharing platforms were not available.*



*n=511.

STRATEGIC TAKEAWAY

1

Ride-sharing platforms are becoming a key component of the rising gig-economy of Bangladesh. Ridesharing platforms have worked as an **unemployment shock absorber** in urban cities like Dhaka **during the Covid-19 pandemic**. They have provided an earning source for a lot of private job holders, who got laid off during the pandemic.

Moreover, they are **providing jobs to a new class of underemployed and not tertiary educated workforce**. They are tech-enabled, urban-centric, but not highly educated and not willing to work in agricultural fields. These ride sharing platforms have provided them with **a job solution that does not require cognitive skills or complicated tech skills**. Rather they can start earning immediately with their existing skill sets and minimal digital literacy. So policy stakeholders shall promote the growth of such gig-workers platforms (like-Pathao, Foodpanda, e-courier, handymama, etc) for any future calamities and a new way to solve unemployment or underemployment problems.

2

Ride sharing platforms can develop **fintech services (neobanking, direct deposit to bank account or payday loans/lending based on the income data of these riders)** on ride sharing platforms or partner with **mobile remittance platforms like (bKash or Nagad)** to provide enhanced incentives to riders to send remittance to their homes/villages.

3

Tech platforms can build **adjacent services (mobile internet packages, job solution, skills development, etc.)** to the needs of this growing gig economy workers

Authors/Analysts



Md. Rubaiyath Sarwar
Managing Director
Lead Consultant,
Innovision Consulting



Shazzad Hossain Mukit
Portfolio Manager
Data, Analytics, and Emerging
Frontiers Portfolio
Innovision Consulting



Nabila Nishat Raisa
Research Associate
Data, Analytics, and Emerging
Frontiers Portfolio
Innovision Consulting



THANK YOU