



## Digest: 10

# A rapid survey on occupational group Construction Workers



## A rapid survey on occupational groups

# COVID 19 Impact on low income population

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### Digest 10: A Rapid Survey on Occupational Group Construction Workers

#### About Innovision:

Innovision supports multilateral and bilateral aid agencies, NGOs, private sector, government and social business to design, implement and monitor systemic solutions for poverty challenges. Innovision facilitates multi-stakeholder partnerships that are scalable and sustainable. Innovision works for the extreme poor and the low income population in urban and rural areas. Since 2008, Innovision has delivered more than 300 technical missions in Agriculture, health, industries, Water, Sanitation, Hygiene and Nutrition systems and financial market systems in South and South East Asia, Middle East and North Africa (MENA), Southern Africa and West Africa.

#### About D2:

D2 is a digitally enabled field data collection platform that empowers decision-makers

#### Background

**Innovision Consulting** is undertaking primary research on low income occupational groups to assess the impact of COVID 19 on their livelihood. The analyses will provide useful insights to policy makers and relevant private, NGO, civil society stakeholders to safe guard the livelihood of these people with appropriate

with real-time, actionable information. By combining the power of a nationwide network of on-the-ground contributors with data science, D2 delivers accurate, timely, and actionable market intelligence to partners from a broad range of sectors.

#### About Safety and Rights Society:

Safety and Rights Society (SRS) is a not-for-profit organization, works to ensure the overall decent working conditions at the very least in compliance with the law. It also works toward ensuring public protection from unacceptable risks from the food, the goods they purchase, the transport they use, or the work undertaken by others. Apart from working with the government, employers' organizations and trade unions, we work with a number of NGOs including Bangladesh Legal Aid Services Trust (BLAST) and the Centre for Rehabilitation of the Paralyzed (CRP).

interventions. The purpose of these digests is to provide in-depth insights into income and expenditure patterns of low-income population, the manner in which they are shifting during the lockdown, the way households are coping and what measures need be taken to support them.

#### Importance of the Construction sector

A lot of development projects and activities are taking place across Bangladesh. According to REHAB, **3.5 million people work in the construction sector in Bangladesh**. Moreover, Bangladesh's construction industry has had a relatively good year in 2019 riding on increased development projects and mega projects and the government of Bangladesh had also

unveiled a huge development budget for the year of 2020. (The Daily Star, 2019).

However, because of the prolonged disruptions and new uncertainty in the form of COVID-19, the construction sector is already under pressure and may even come to a standstill. Labor shortage due to the current lockdown

caused by the **COVID-19 pandemic is affecting the contractual provisions of the ongoing construction projects**. This lockdown may prove to be catastrophic for Bangladesh's low-income population; especially for construction workers. The collapse of this sector would

cause imminent poverty among the millions of workers in the industry. Innovision aims to identify the key challenges faced by the construction workers during the Covid-19 crisis and suggest possible solutions which can lead to faster recovery from this crisis.

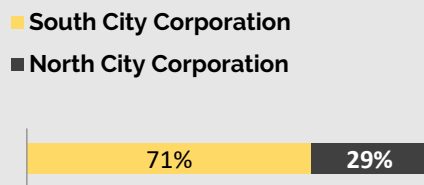
### Sample Overview

The research undertook a simple random sample survey on 106 construction workers of Dhaka City. The study team used Computer Assisted Personal Interviewing (CAPI) method for the survey. An experienced team of enumerators conducted the survey via telephonic interviews, while responses were

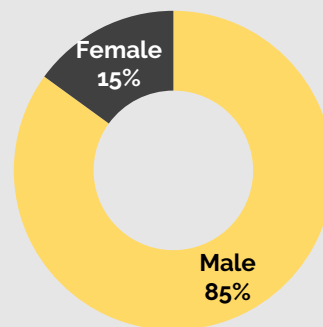
stored in the cloud by using KoBoToolbox. The data was collected from 4<sup>th</sup> May - 6<sup>th</sup> May, 2020.

The sample contains **85% male respondents** and **15% female respondents**. 71% of the respondents were from South City Corporation and only 29% of them were from North City Corporation.

**Figure 1: % of samples per City Corporation**



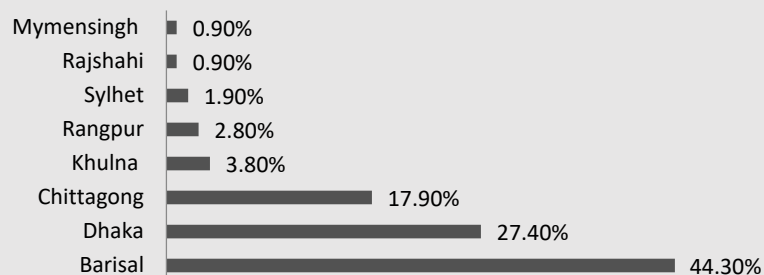
**Figure 2: Gender distribution of the samples**



Along the geographical line, forty-eight percent (48%) of the samples have come to Dhaka from the southern coastal district (**Barisal and Khulna Division**). This is followed by 27.4% from the central region (**Dhaka Division**), 18% from

the districts in south-east region (Chittagong Division), 4.6% from northern districts (**Rangpur, Rajshahi and Mymensingh Division**) and only 2% from north-eastern region (Sylhet division).

**Figure 3: Home divisions of the samples**

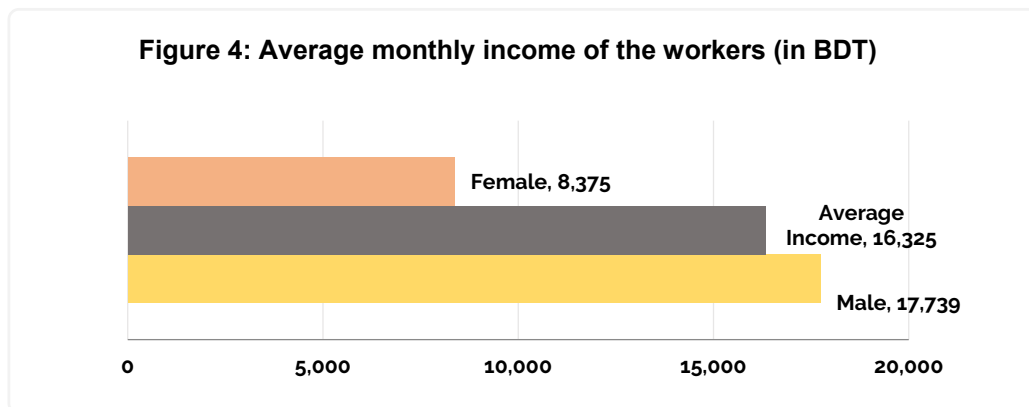


## Key Findings

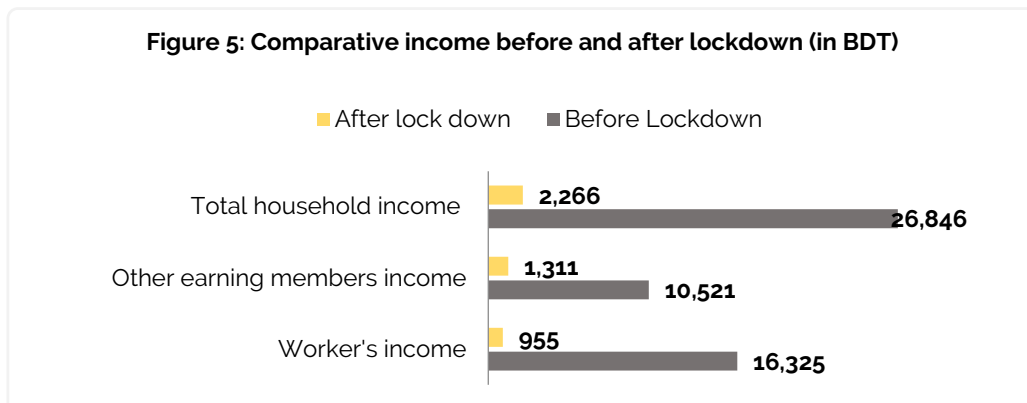
The COVID-19 pandemic and subsequent shutdown is gravely impacting the construction workers.

### Impact of COVID-19 on the income of the construction workers

- Shut down of work was found to be the major reason behind the construction worker's income losses.
- There is a significant loss in monthly revenue of the workers.
- Before the lockdown, the construction workers used to earn an average amount of BDT 16,325 per month. **Compared to the male workers (BDT 17,739), female workers (BDT 8,375)** used to earn less per month.

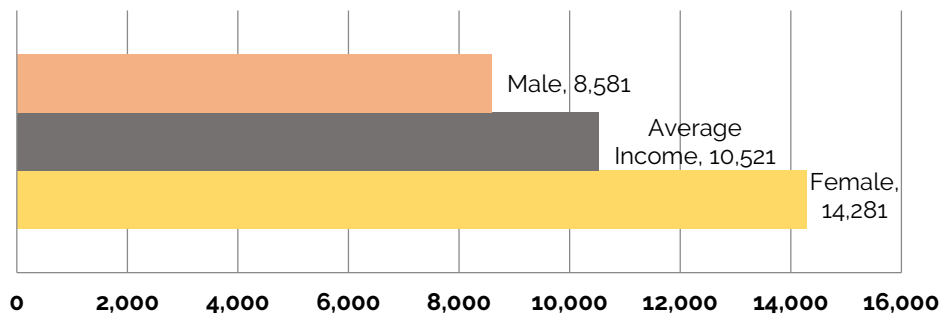


- However, a significant drop has been seen in the workers' income after the lockdown. The monthly incomes of the workers have reduced by 94%. After the lockdown, the average monthly income of the workers is BDT 955. Average per month loss incurred is around BDT 15,370.



- 44% of the respondents have other earning members in their family. The average monthly income of the other household members (except the worker) was BDT 10,521 before the lockdown. **The income of the other household members of the female workers is much higher (BDT 14,281) if compared to the male workers' family members (BDT 8,581).** This is because most of the male workers are the primary earning member of their family.

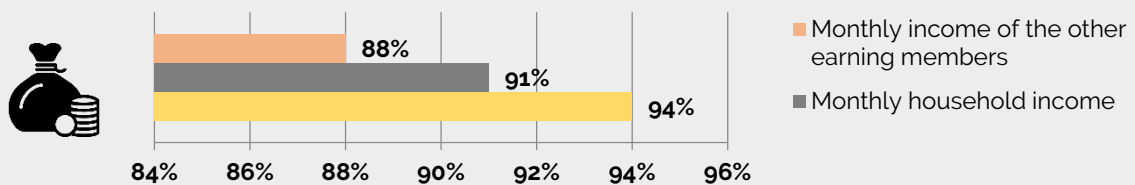
**Figure 6: Average monthly income of the other earning members in the family (except the worker) (in BDT)**



- The monthly incomes of the other household members of the workers have reduced by 88% after the lockdown which is now BDT 1,311 per month.
- The average monthly **household income of the workers** (combining the income of the

workers and other earning members in the family) was BDT 26,846 before the lockdown which has reduced by **91%** after the lockdown. The average monthly household income of the workers **after the lockdown is now BDT 2,266.**

**Figure 7: % of reduction in income after the lock down**

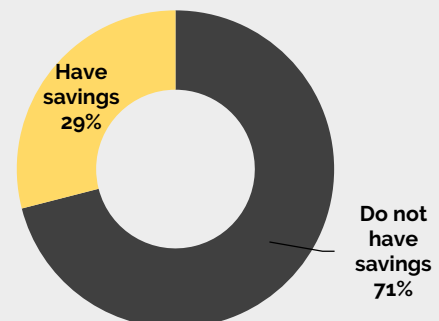


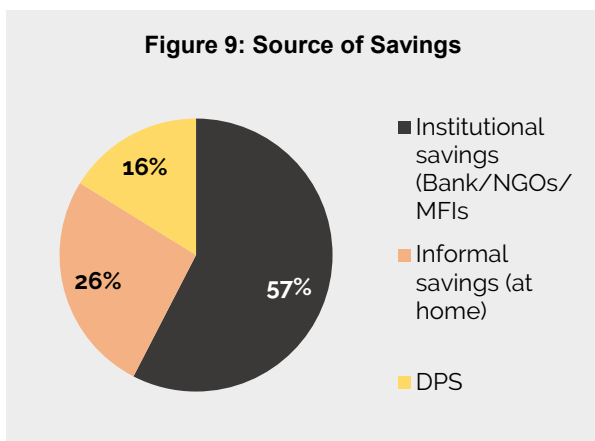
## Coping capacity of the construction workers during this epidemic

### Savings:

- 71% of the sampled construction workers do not have any savings. Only 29% of respondents save on a monthly basis.
- The average savings per month per worker is BDT 1,311.
- Of those who have savings, 57% have institutional savings (Bank/MFI/NGO), 16% have DPS while 26% save on their own at their home.
- Among the **male respondents 29%** have savings and among the **female respondents 31%** have savings.

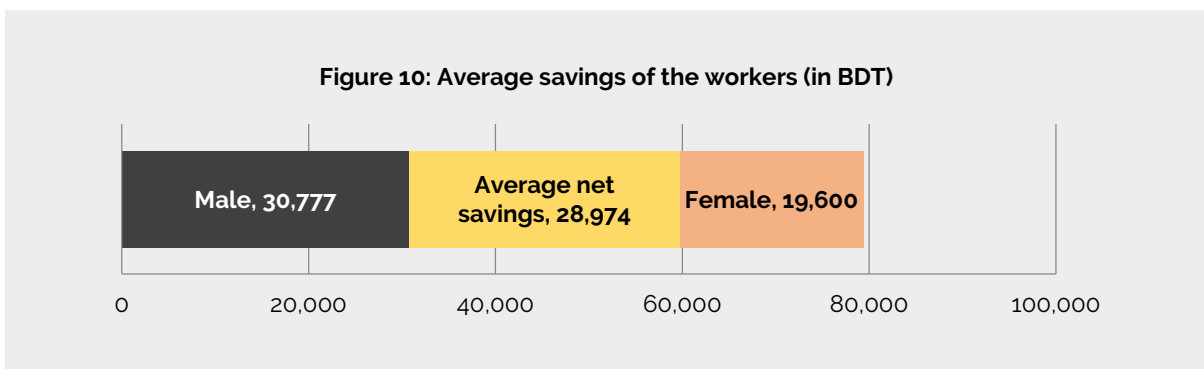
**Figure 8: Worker's with savings**



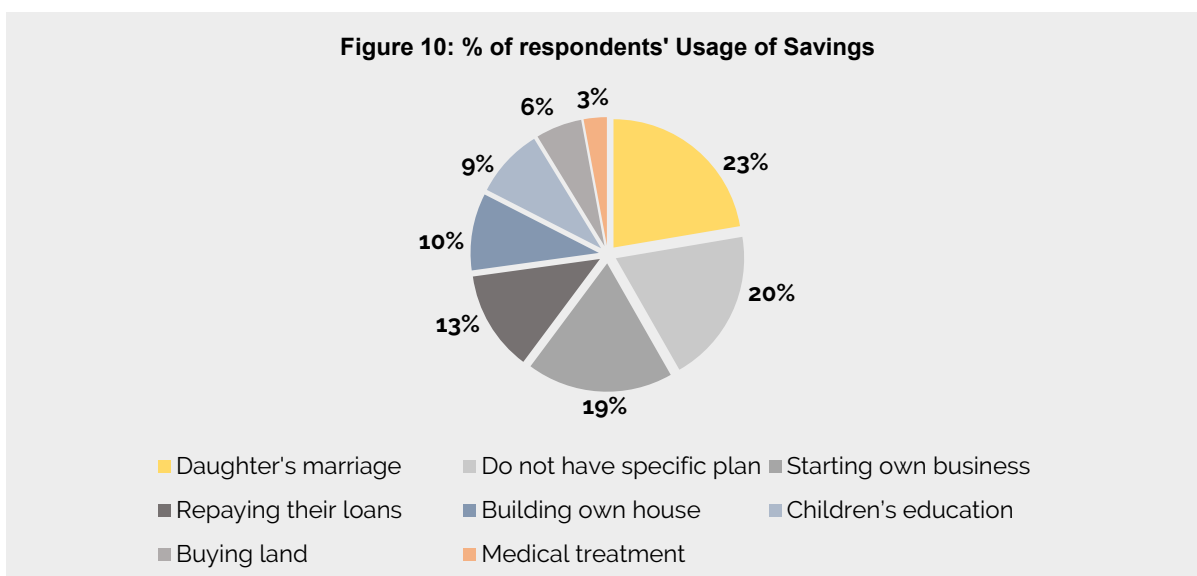


- Among those who have savings, majority (**23%**) reported that they are saving for **daughter's marriage**, **19%** for starting own business, **13%** for repaying their loans, **10%** for building own house, 9% for their children's education, **6%** for buying land and **3%** for medical treatment. **20%** of the respondents are saving for future expenditure that they may have to incur. In other words, they do not have specific plans for using their savings.

The average net savings of the respondents is BDT 28,974. The per capita saving is much higher among the male workers (BDT 30,777) than the female workers (BDT 19,600).

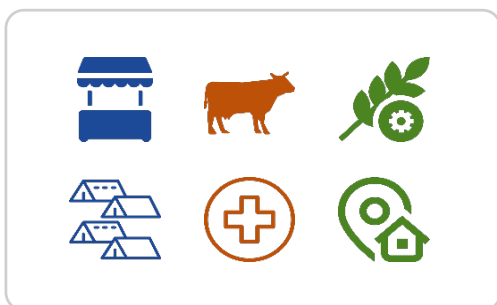


- Our findings show that, only a limited number (**29%**) of workers have savings to survive in this crisis period. Moreover, the average amount of net savings is also very limited (**BDT 28,974**) to support the family of the workers for the remaining period of the COVID-19 crisis.

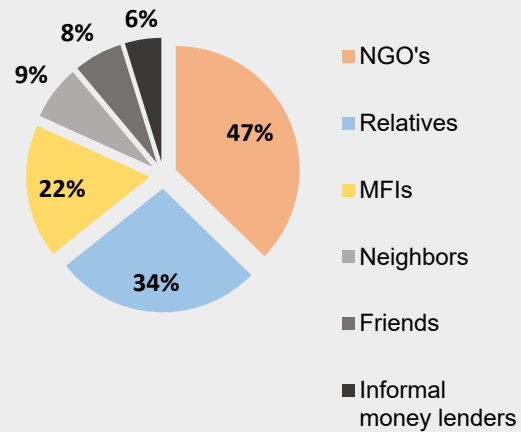


## Loans:

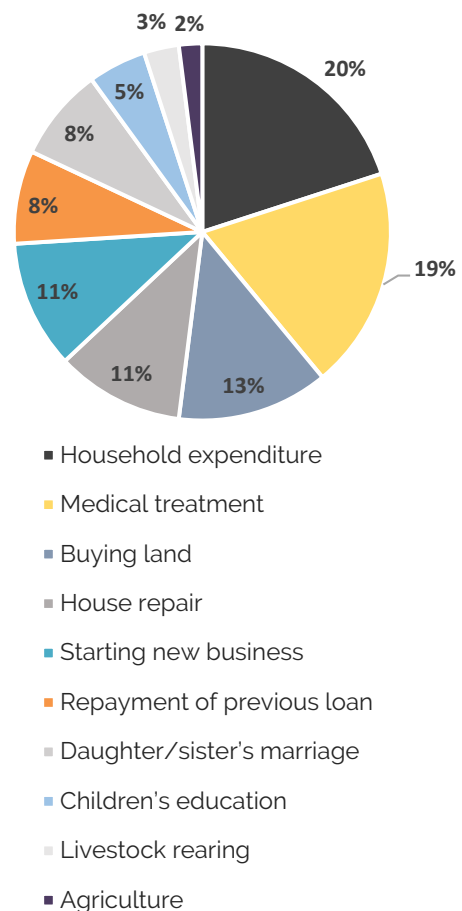
- 60% of the respondent construction workers reported having loans.
- Of them 47% have loans from NGOs, 22% from MFIs, 34% have loans from relatives, 8% have loans from friends, 9% from neighbors and 6% from informal money lenders. If compared to male workers (19%), **higher percentages of female workers (40%) have loans from MFIs.**
- **Average monthly expenditure on loan repayment is BDT 4,988.** The male workers pay an average amount of BDT 5,036 per month as loan installment while female workers pay an average amount of BDT 4,730.
- The average outstanding loan amount is BDT 49,250. **The average outstanding loan amount is much higher among the male workers** (BDT 52,519) if compared to the female workers (BDT 31,600).
- **The most common purpose for taking loans is household expenditure (20%),** followed by medical treatment (19%), buying land (13%), house repair (11%), starting new business (11%), repayment of previous loan (8%), daughter/sister's marriage (8%), children's education (5%), livestock rearing (3%) and agriculture (2%).
- A total of 66% of the respondents have loans for unproductive activities (repairing house, sister's marriage, medical treatment, household expenditure, repayment of previous loan and emergency). **Only 16% of the respondents had taken loans for productive activities to diversify their income sources.**



**Figure 11: Source of Loans**



**Figure 12: % of respondents' Purpose of Loans**



## Immediate impact of COVID-19 on the livelihood of the construction workers

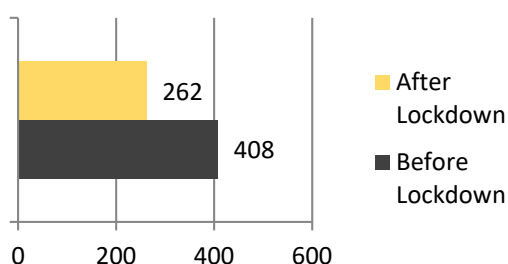
The following section elaborates on the impacts of COVID-19 on the construction workers' livelihoods.

### Impact on food expenditure

- The surveyed respondents have reduced food expenses by 36%. Before closure of their work, the workers used to spend on an

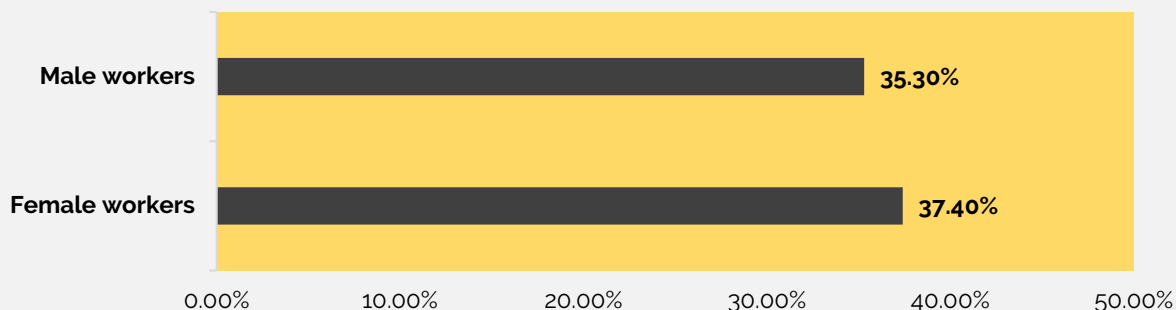
average BDT 408 per day on food consumption which has been reduced to BDT 262 on an average per day.

Figure 2: Reduction in food expense (in BDT)



Reduction in per day food expense is higher for the **female workers 37.4%** if compared to the **male workers 35.3%**

Figure 3: Gender wise reduction in food expenses



### Change in pattern of protein intake

- 39% of the respondents have **completely stopped protein consumption** (buying fish, meat etc.) after the lockdown.
- Before the lockdown, 36% of the respondents used to buy protein containing food (fish, meats etc.) for their family 4-8 times a month. However, **it reduced to only 8% after the lockdown.**
- 36% of the workers claimed that they have 0-5 years of children in their family and only 2% reported they have pregnant wives in their household.
- However, **89% of the respondents reported that they have stopped buying necessary food (milk, eggs, baby food etc.) for their children.** Moreover, those who have pregnant wives in their house have reported that **they had already stopped buying medicines and nutritious foods for their pregnant wives.**
- 29% of the respondents reported they used to buy milk and eggs for their family members more than 8 times in a month

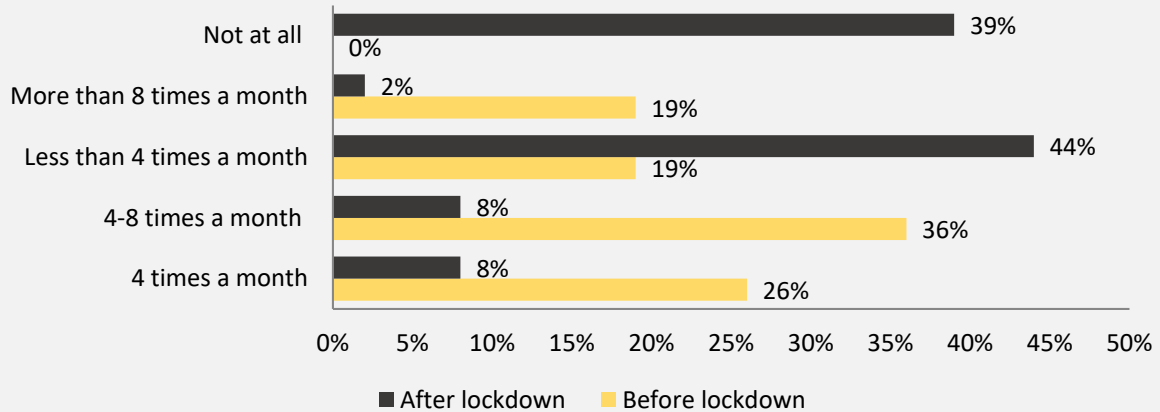


whereas it has been reduced to only 10% after the closure of work.

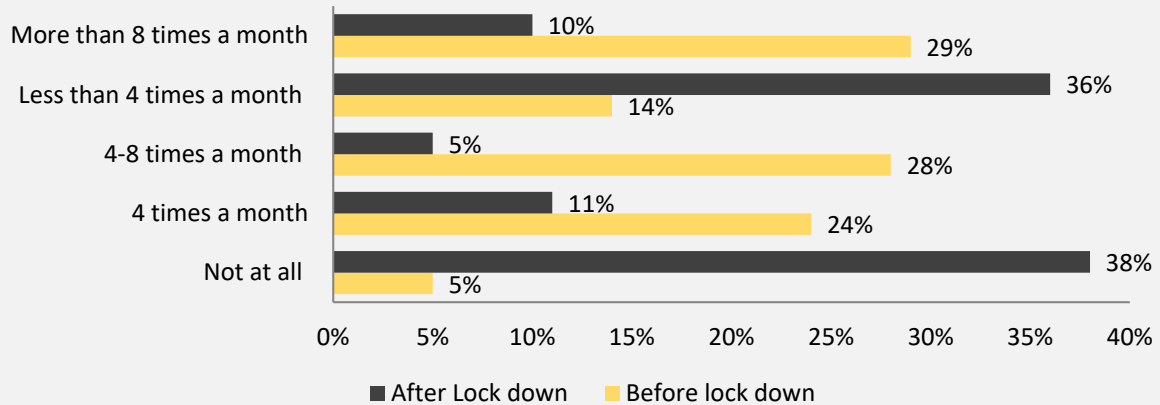
- 38% of the surveyed workers have already **stopped buying milk and eggs for their family.**

- Such drastic reductions will lead to **spill-over effects leading to long-term impacts on the family's nutrition and development.**

**Figure 15: Pattern of protein consumption before and after lockdown**



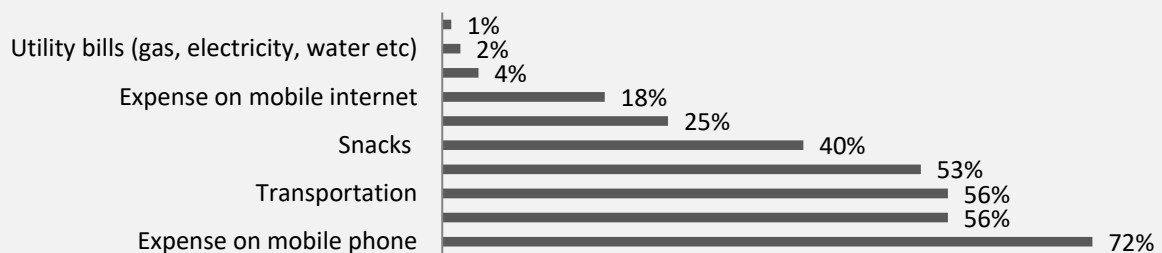
**Figure 16: Purchasing pattern of egg and milk before and after shut down**



### Impact on household and personal expenses

Majority (100%) of the respondents reported a reduction in overall household income.

**Figure 17: Household expenditure reduced after shut down**



- **100% of the respondents use mobile phones.** Only 13% of them use smart phones. 72% reduced expenses related to mobile phones after the lockdown.
- Twenty percent (20%) of the respondents use internet on their mobile phones. Average expenditure on mobile internet before the lockdown was BDT 126. However, **18% of the respondent reported that, their expenditure on mobile internet has been reduced after the lockdown.**
- 72% of the workers reduced expense for mobile bills partially; however, 75% of the workers completely stopped spending on mobile internet after closure of work.
- Most of the workers have partially stopped spending on buying groceries from the market (56%). However, 25% of the workers reported that their expenses for buying groceries/utilities for the household have increased after the lockdown.
- However, most of the surveyed workers reported that there is **no change in their expense for house rent (83%), utility bills (75%) and entertainment (66%).**
- Other cost heads that shows complete reduction in expense from the workers includes buying cigarettes (69%), snacks (46%), tea (36%), cost of transportation (40%) and entertainment (32%).

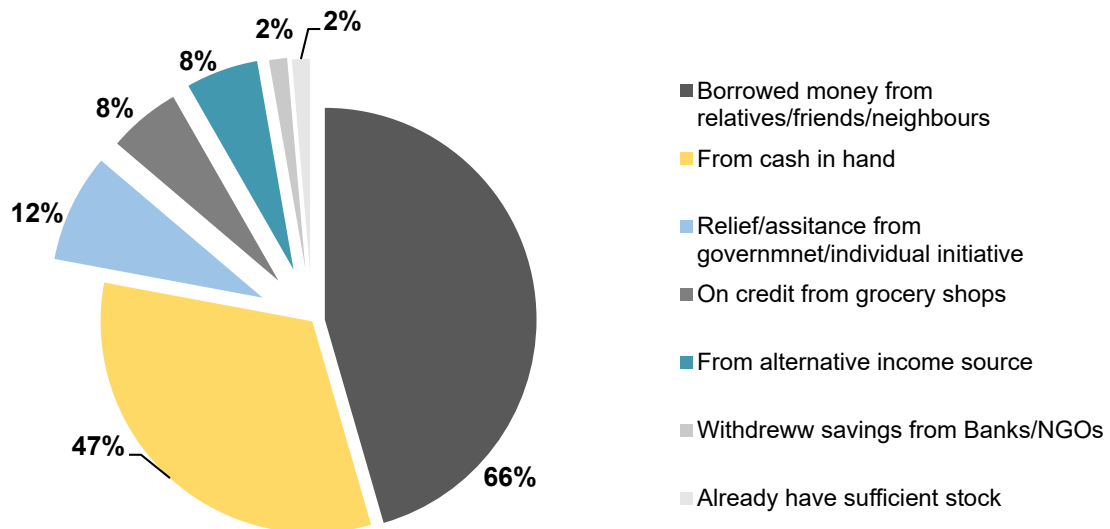
**Table 1: Reduction in household expenses after shut down**

| Cost Head   | Full Reduction |      |        | Partial Reduction |      |        | No Change |      |        | Increased |      |        | Base |
|---|----------------|------|--------|-------------------|------|--------|-----------|------|--------|-----------|------|--------|------|
|   | Overall        | Male | Female | Overall           | Male | Female | Overall   | Male | Female | Overall   | Male | Female |      |
| Buying groceries from the market/buying necessary utilities for the household | 0%             | 0%   | 0%     | 56%               | 52%  | 75%    | 20%       | 21%  | 13%    | 25%       | 27%  | 13%    | 106  |
| House rent  | 13%            | 16%  | 0%     | 4%                | 3%   | 6%     | 83%       | 81%  | 94%    | 0%        | 0%   | 0%     | 106  |
| Transport cost  | 40%            | 43%  | 19%    | 56%               | 54%  | 63%    | 2%        | 1%   | 6%     | 3%        | 1%   | 13%    | 106  |
| Entertainment (dish network bill)   | 32%            | 30%  | 44%    | 1%                | 1%   | 0%     | 66%       | 68%  | 56%    | 1%        | 1%   | 0%     | 106  |
| Snacks  | 46%            | 43%  | 63%    | 40%               | 42%  | 25%    | 3%        | 3%   | 0%     | 11%       | 11%  | 13%    | 106  |
| Expense on cigarettes   | 69%            | 68%  | 75%    | 25%               | 27%  | 13%    | 6%        | 6%   | 6%     | 1%        | 0%   | 6%     | 106  |
| Mobile talk time/expense for mobile bills per month                           | 1%             | 1%   | 0%     | 72%               | 71%  | 75%    | 16%       | 16%  | 19%    | 11%       | 12%  | 6%     | 106  |
| Expense on mobile internet  | 75%            | 74%  | 81%    | 18%               | 19%  | 13%    | 6%        | 6%   | 6%     | 1%        | 1%   | 0%     | 106  |
| Tea   | 36%            | 33%  | 50%    | 53%               | 56%  | 38%    | 7%        | 7%   | 6%     | 5%        | 4%   | 6%     | 106  |
| Utility bills (electricity, water, gas etc.)                                  | 19%            | 11%  | 63%    | 2%                | 2%   | 0%     | 75%       | 82%  | 38%    | 4%        | 4%   | 0%     | 106  |

## Coping mechanism of the construction workers during the crisis

- More than half of the surveyed construction workers (66%) are coping with the **drop in income and managing food for their family by borrowing money from friends/relatives/neighbors.**
- Along with that, 47% are using cash in hand and 12% are using relief/assistance from government or private individual initiative.

Figure 4: Actions taken to arrange food for the family



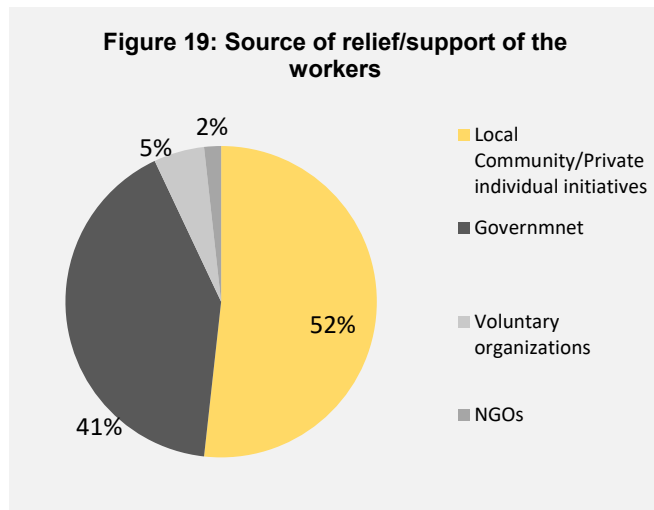
- The surveyed respondents have reduced food expenses by 36%.
- The respondents reported that **they can survive for only 9 days with the money available to them.**
- The workers can support their family for an average of 5 days with the amount of food they have now. Many of them have already started using credit facilities at nearby grocery shops.
- 89% of the respondents reported that they have stopped buying necessary food (milk, eggs, baby foods etc.) for their children.
- The workers can survive with their savings for an average of only 6 days without taking further loans.
- All of the workers reported that they had failed to pay their loan installment for the previous month. 69% need to defer their loan payments due to low income during this crisis period.
- **Despite not having enough savings or income to support their livelihoods, the increase in debt during this period will further cripple these construction workers.** Ultimately, the increased debts will impact their ability to recover in the post-crisis period.

## Relief/Support from Government/ Individual initiatives

- 48% of the respondents received support (**free food assistance or cash**) during this pandemic from the government (Chairman, Councilor, Army, Police etc.) and from local community/private individual initiatives.
- Among them, 47% received support from the government, 59% from local

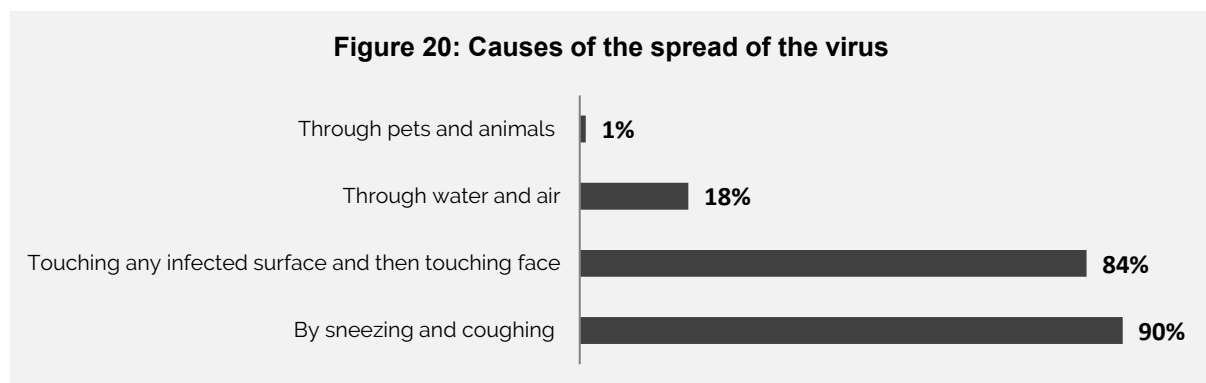
community or private individual initiative, 6% from voluntary organization and 2% from different NGOs.

- Among those who have received support **majority (94%) of them received free food** assistance as a part of the government's food assistance program for low income groups from their local commissioner and from private individual initiatives.
- **Only 6% of them have received cash support.**
- Among the respondents who have received support or relief, 96% do not think the support will continue.



## Level of knowledge and Awareness on COVID-19

- 92% of the workers reported to be well aware of how the virus can spread in the community.
- When respondents were asked if they know how the virus spreads, they identified multiple causes such as shown in the **Figure 20**.



- When asked about their sources regarding the information on COVID-19 virus, they have reported different mediums such as **TV/print media/social media (90%), family/friends/relatives (67%) and voluntary initiative (7%) organized by the government/NGOs to make people aware/conscious of the virus were notable.**
- All of the workers reported to have face masks and most of them use it when going outside.
- 97% of them reported that they regularly wash their hands to protect themselves from the virus.

## Recommendations

### Provision for saving schemes and disaster funds

Majority (71%) of the construction workers do not have any savings. Moreover, at the time of publication of this report (4th May- 6th May), the surveyed workers reported that they had cash to support another 9 days of food expenses. The workers who currently have savings can hardly run their family expenses

for another 6 days without taking further loans. Poor amount of savings and cash in hand mean that the workers will not be able to sustain long without borrowing or divesting their assets if they have to maintain food security.

Therefore, it is recommended that **more workers be brought under savings schemes** in the long run. An alternative for personal savings need to be identified for the workers to meet their livelihood requirements during the **recovery phase**. Moreover, there should also be **provision for disaster funds** which can allow mitigating income depression in the event of a crisis.

### Relief/support from the government or private individual initiative

- Only **48%** of the respondents reported that they **received some sort of support** (free food assistance or cash) from the government and from private individual initiatives. However, **96%** of them **do not think this support will continue** in the long run. Moreover, **more than half of the surveyed respondents didn't receive any kind of support during this pandemic**.
- Another important fact to note is that **this support or assistance was given without assessing the needs of the workers**. For instance, a worker who has more than 6 members in their family received an equal amount of food support as a worker who has only 2 members in their family. Only **6% of the surveyed workers received cash support**. As a result, the workers are not getting the support they required in this situation. Moreover, the food assistance that workers have received till now has only met the very basic needs of consumption. A large number of workers are still **unable to buy nutritious food and medicines for their children aged below 5 years and pregnant wives**.
- In regard to that, the government and concerned authorities can take necessary measures to distribute funds among workers after proper assessment of the needs of the workers. Moreover, the workers **should be supported for a certain period of time during this pandemic to mitigate their loss of wages**. Most importantly, **proper identification** (provision for identity card/NID) of the workers who receive support services should be maintained to avoid overlaps.
- Because of the restrictions on long-distance transportation services, many workers may not be able to return to their hometowns during this period and therefore, **they will need some financial assistance be provided to them until the situation stabilizes**.

## Loans on productive activities and provision for medical insurance

Of the workers who have loans, 66% have loans for unproductive activities (repairing house, sister's marriage, medical treatment, household

expenditure, repayment of previous loan and emergency).

In the future, loans for **productive activities should be promoted** to diversify the worker's income sources. Besides, **medical insurance could help workers** reduce their loan burden.

## Special Food Assistance Program

Nutrition of the worker's children may get adversely affected as the workers have reported reduction of expenses on nutritious food and protein.

**Special food assistance would be required for workers with children aged below 5 years.**

## Bailout package for the workers

Of the respondents, 66% expressed that they have borrowed money from neighbors, friends and family members to survive in this crisis. Moreover, majority of the workers are already accumulating credit burden as they have stopped paying their loan installments. 8% of them have already started using credit facility at nearby grocery shops. However, 83% of the respondents reported that, they still have to pay their house rent which has become a major burden for them to bear this expense during this crisis. The dependence on informal borrowing can have adverse and long-term impact on the

worker's food security and well-being as they will continue to limit food expenses to repay their loans even after they are rehabilitated at work.

**In this regard, the government should consider bailing out the workers for their house rents and providing grace period for payment of loans from MFIs/ NGOs.**

## Easing of regulatory barriers for construction workers to access formal financing

74% of the surveyed construction workers do not have any formal bank accounts. They still operate in cash and do not have the required documents (trade license, comprehensive transaction records, etc.) to access finance from the formal financial sector. The regulators can ease the requirements for construction workers to apply for credit from banks/NBFIs.

**This will, however, require a comprehensive roadmap for improving coordination among the relevant stakeholders and strategic advocacy to adjust the existing legal and regulatory frameworks to remove the barriers.**

## **Protection and healthcare facility for the construction workers**

During this survey it was also revealed that most of the construction workers are conscious about safety measure and want to protect themselves from the virus.

**Despite the paralyzing levels of uncertainty, contractors and concerned authorities should take necessary steps to be as prepared as possible for the future effects of the crisis.**

Devising ways to keep workers safe on site for instance, restricting personnel into smaller groups whenever possible, maintaining social distancing at the jobsite, cleaning workplace and jobsites regularly, arrangements commercial cleaners to clean and disinfect areas of the project as necessary in response to actual or suspected exposure, providing hand sanitizers for workers, etc.

## ANNEX

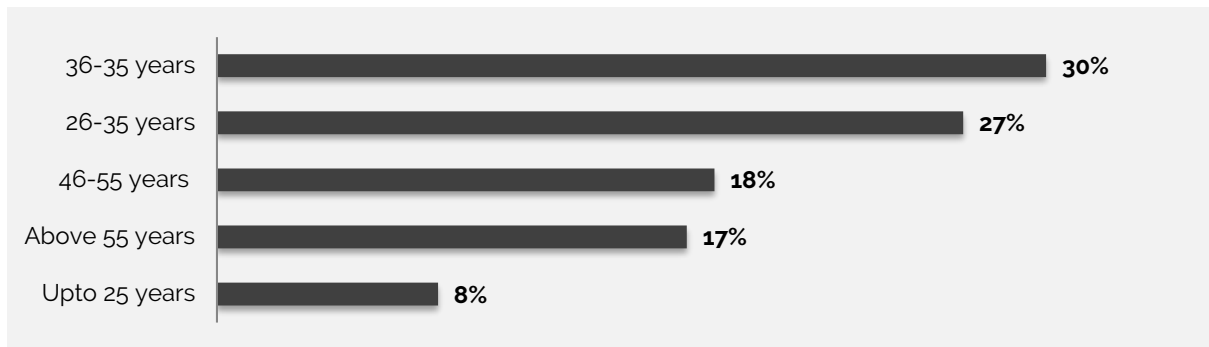
### Demographic Overview of the Sample

**Gender:** Only 15% of the surveyed construction workers are female and 85% of them are male.

**Age:** Of the interviewed respondents, only 8% is 25 years or below. 27% belong to the age group

of 26 to 35 years, 30% is within the age group of 36 to 45 years, 18% belong to the age group of 46 to 55 years and 17% is above 55 years of age. Average age of the respondent is 43.

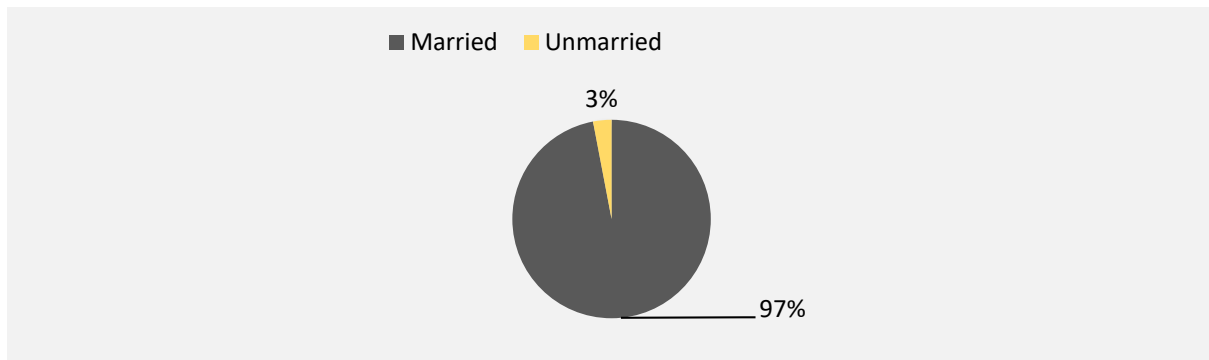
**Figure 5: Age of the respondents**



**Marital Status:** Of the sampled respondents, 97% are married and only 3% reported being

unmarried. All of the female respondents reported as married.

**Figure 6: Marital status of the respondents**



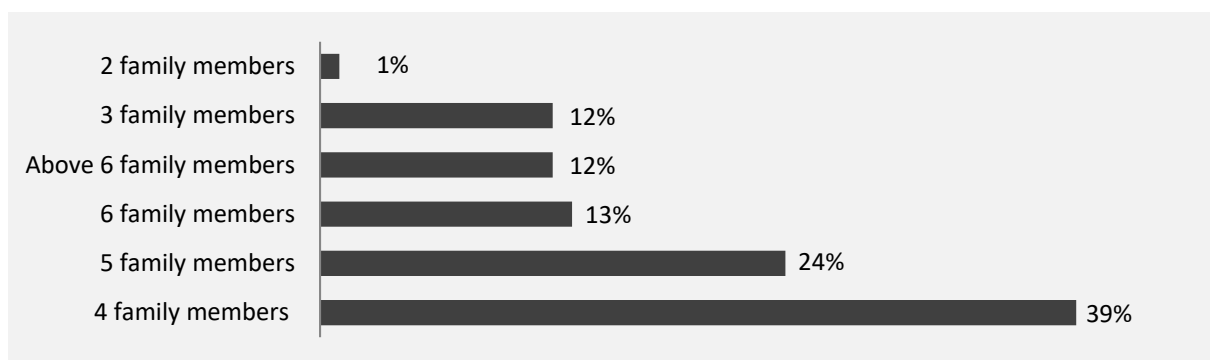
**Household size:** Of the overall respondents, 39% had four-member household. 24% had five-member household, and 13% had six members in their households. 12% of the respondents had more than six members in their household. Only 1% had a two-member (2) household and 12% had three members in their household. Average household size is five 4.7. Thirty-six percent

(36%) of the respondents reported that they have 0-5 years of children in their family.

**Earning member in the family:** 56% of the surveyed respondents reported that they do not have any earning member in their family except them. 43% of them reported to have 1-2 earning members in their family and only 1% has more than 2 earning members in their family.



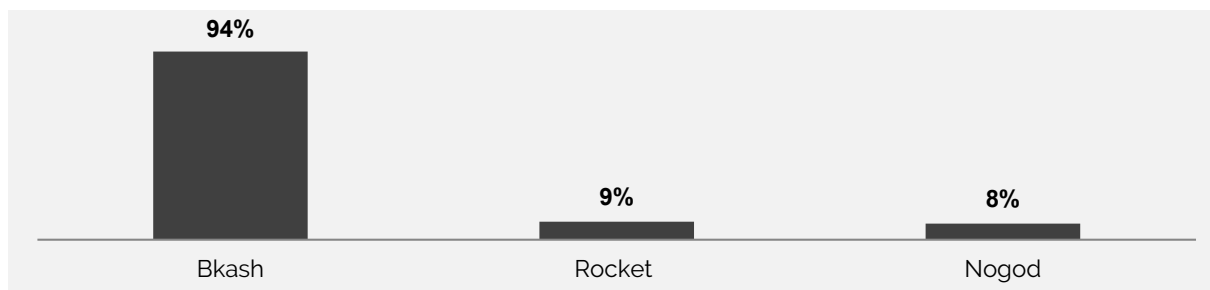
**Figure 7: Household size**



**Access to mobile banking account:**

- 61% of the workers use mobile banking services. 64% of the male workers use mobile banking services while 44% of the female workers use mobile banking services.
- Of them, 94% reported using Bkash, 9% Rocket, 8% Nogod.
- The average transaction amount per month is BDT 4,657 through mobile banking services.
- 74% of the surveyed workers do not have any personal bank accounts.

**Figure 8: Mobile Banking Service**



## Study Team

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