

COVID 19 IMPACT ON LOW INCOME POPULATION

A rapid survey on occupational groups

Digest 01

Rickshaw pullers
in Dhaka



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COVID 19 Impact on low income population: A rapid survey on occupational groups

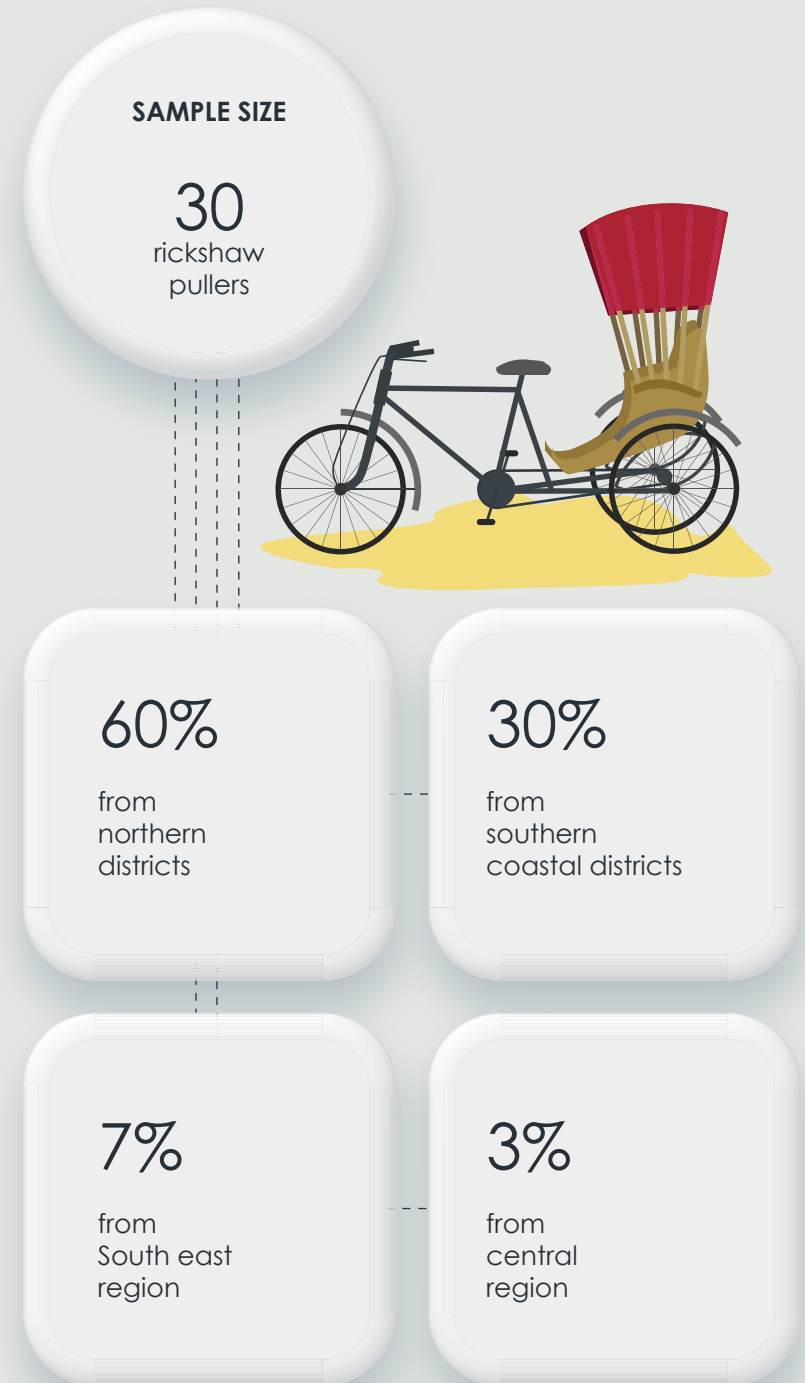
Digest 1: Rickshaw pullers in Dhaka

01. Background

Innovision Consulting is undertaking primary research on low income occupational groups to assess the impact of COVID 19 on their livelihood. We will be presenting the data and our analysis for each occupational group in short digests. We expect that our analysis will provide useful insights to policy makers and relevant private, NGO, civil society stakeholders to safe guard the livelihood of these people with appropriate interventions.

02. Sample

We undertook a simple random sample survey on 30 rickshaw pullers in three clusters in Dhaka city on March 26th, 2020, the first day of the official public holiday. Sixty percent (60%) of the samples have come to Dhaka from the northern districts. (Rangpur, Rajshahi, Mymensingh Division). This is followed by southern coastal districts (30%) (Khulna and Barisal Division). Only 7% of the samples have come to Dhaka from the districts in south-east region (Chittagong Division) and 1 3 % from the central region (Dhaka Division).



03. KEY FINDINGS



AGE

43

years is the average age of the samples



MARITAL STATUS

100%

of the sampled respondents are married.

According to the respondents, unmarried rickshaw pullers have mostly left Dhaka over the preceding days of the survey (mostly on March 23rd and March 24th).



FAMILY

57%

of the samples have their spouse living with them in Dhaka



CHILDREN

93%

of the respondents have children, only 47% have their children living with them



RELATIVES

40%

have other family members living with them in Dhaka

The average family size of the surveyed rickshaw pullers is 4.8.



NET INCOME

14,033 BDT

Average monthly net income of the rickshaw pullers. The average daily net income is TK 513.

70% of the surveyed rickshaw pullers reported of **reduced income on the day of the survey if compared to the previous day**. 17% of the respondents reported of **increase in income on the day before the survey** if compared to the previous day. Also, 14% reported of stable income on the day before the survey if compared to the previous day.

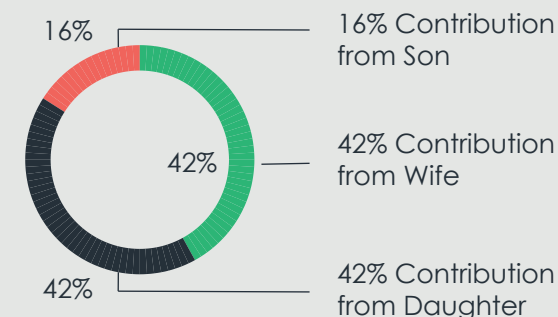
The data suggests that the income initially declined at the start of the week but started to pick up as the number of rickshaw pullers on the road started to decline. At the aggregate level the income on the day before the survey declined by only 3% from the previous day.



HOUSEHOLD INCOME

23%

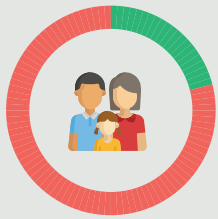
of our respondents have other family members contributing to the household income



AVERAGE HOUSEHOLD INCOME

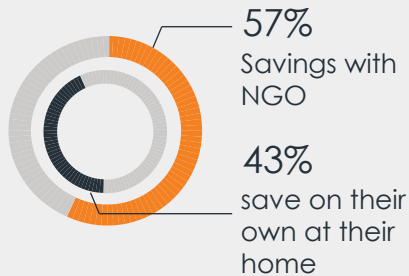
BDT 22,071

is the average income of the household of the rickshaw pullers who have income from other family members.



SAVINGS

23%
of the sampled rickshaw pullers have savings.



are saving for their daughter's marriage

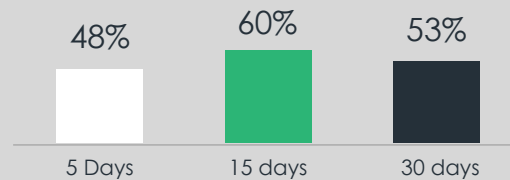
are saving for any future expenditure



The average **net savings** is **TK 16,357**. The average net savings is much higher among the samples who are **saving for their daughter's marriage (TK 40,000)** if compared to those who are saving without a plan (TK 6,900).

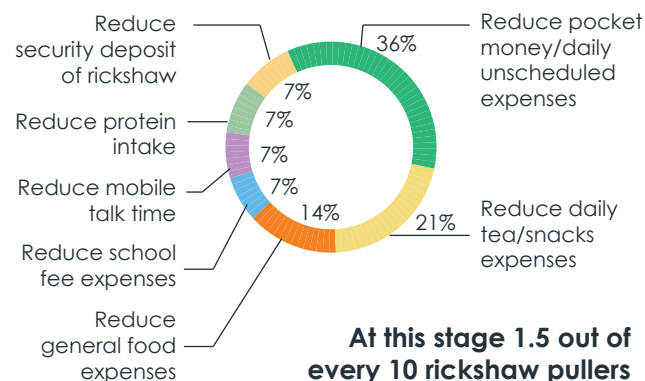
REDUCTION OF DAILY EXPENSES

Around 48% of the surveyed rickshaw pullers reported that they will reduce their daily expenses if the income continues to decline for next five days. This increases to 60% if the income continues to decline for 15 days. However, percentage of rickshaw pullers who will reduce their expenses to cope with reduced income, reduces to 53% if the income continues to decline for 30 days.



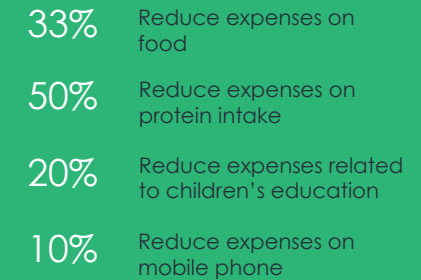
If the income continues to decline for 30 days, most of the respondents said they will not be able to reduce expenditure any further and will resort to alternatives (returning to village or switching to other vocations).

Pattern of Expense Reduction - 5 DAYS



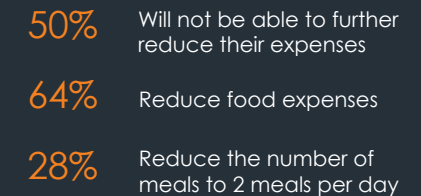
At this stage 1.5 out of every 10 rickshaw pullers are expected to take credit or loans to meet their needs.

Pattern of Expense Reduction - 15 DAYS



At this stage 1 out of every 5 rickshaw pullers are expected to take loans to meet their income needs.

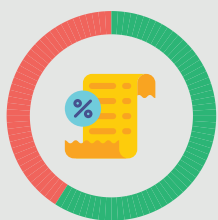
Pattern of Expense Reduction - 30 DAYS



At this stage, 1 out of every 3 rickshaw pullers is expected to take loans or credits from formal and informal sources.

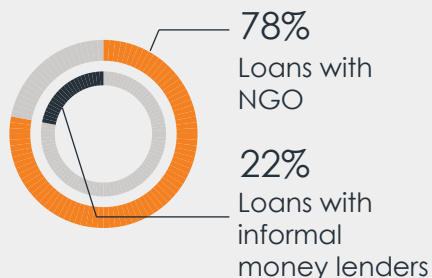


Only 13% of the rickshaw pullers reported that they will leave Dhaka if the income declines for next five days. It increases to 37% for 15 days and 47% for next 30 days. One out of every two rickshaw pullers reported that they will be able to defer their payment for house rent.



LOANS

60%
of the sampled
rickshaw pullers have
outstanding loans.



(multiple responses)

17%

have loans
with
relatives

11%

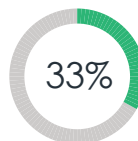
have loans
with
neighbors

Average outstanding loan
amount is
TK 49,833

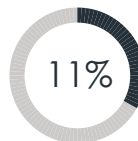
The average loan instalment
TK 4,156 /month.



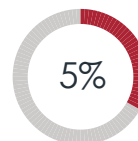
Respondents reported of
taking loans for household
construction.



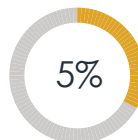
Respondents reported of
taking loans for medical
treatment.



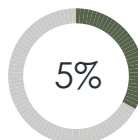
Respondents reported of
taking loans marriage of
children.



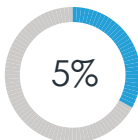
Respondents reported of
taking loans for leasing land
for agriculture.



Respondents reported of
taking loans for poultry farm.



Respondents reported of
taking loans for purchasing a
rickshaw



Respondents reported of
taking loans for other
businesses

70%

of the respondents reported
that they will not be able to
defer loan payment.



80% of the rickshaw pullers will be forced to leave Dhaka if the accumulated income loss is up to TK 25000. **This increases to 90% if the accumulated income loss is between TK 25,000 to 50,000** and is **100% if the accumulated income loss is between TK 50,000- TK 100,000.**

04. KEY CONCLUSIONS

1

The impact might be disproportionate depending on the marital status of the rickshaw pullers; a separate survey is needed on unmarried rickshaw pullers

2

Those who are staying back in Dhaka might observe stable or increased income due to reduced number of rickshaw pullers on the street; as such the impact of COVID 19 on those who have left Dhaka need to be assessed separately. Interventions might yield better result by targeting those who have left instead of those who have stayed back. Social safety nets will be essential if the income decline continues for more than 15 days. In such case, the safety nets should be targeted in the villages.

3

The northern districts might have the biggest impact as urban to rural migration increases.

4

Interventions might be necessary if the income decline continues for 15 days or beyond. Otherwise, fiscal or non-fiscal interventions may not be necessary

5

If the income decline continues for more than 15 days then policy measures should be taken to reduce price of essential food items (rice, lentils); subsidies should be considered for non-animal protein

6

At the current situation, the consumption behaviour of the rickshaw pullers will have highest impact on street vendors and hawkers selling tea and snakes, cigarettes; if the situation worsens the impact will be deeper on kitchen market sellers.

7

Policies on deferring loan instalment payment will have direct and immediate impact on those who have loans with MFIs; however, large percentage have informal loans and they will be the ones who are the hardest hit. Social safety net programmes and interventions will yield better result if it targets those who have informal loans.



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