

COX'S BAZAR PANEL SURVEY: RAPID FOLLOW-UP ROUND 1

IMPACTS OF COVID-19 ON WORK AND WAGES IN COX'S BAZAR



This is the first in a series of briefs to disseminate findings from high-frequency rapid follow-ups on the CBPS sample, by the Poverty and Equity GP of the World Bank.



WAGES



WORK

A rapid phone survey was implemented on a representative sample of recently displaced Rohingya households and their host communities in the Cox's Bazar district of Bangladesh, to track the impacts of the COVID-19 crisis on labor markets, wages, and household coping strategies. This survey built on the Cox's Bazar Panel Survey (CBPS), which is a multi-topic survey that focused on socio-economic outcomes and access to health services. This first round of the rapid phone survey, was conducted from 21 April-20 May 2020 (a month into the 2-month long COVID-19 lockdown). A sub-sample of 3,005 out of the 5,020 households surveyed at baseline were covered by this survey. In this first tracking survey 3,009 out of the 9,045 adults surveyed in baseline were covered.

HOST EMPLOYMENT

MORE THAN HALF OF THE EMPLOYED RESPONDENTS WERE ABSENT FROM WORK OVER THE 7 DAYS PRIOR TO THE SURVEY AND REPORTED REDUCED OR NO EARNINGS.

While employment and unemployment are not significantly different from baseline levels, reported employment masks a large proportion of temporarily absent workers. More than half of the respondents who report being employed are not actively working, i.e. were absent from work in the 7 days prior to the survey. The largely informal nature of jobs held by majority of this temporarily absent workers, makes it difficult to predict how much of this employment will translate into active jobs post-lockdown.

HOST INCOME LOSSES

DAILY AND WEEKLY WAGE WORKERS ACTIVE WITHIN THE LOCKDOWNS FACED HIGHEST INCOME DROPS ACROSS THE DISTRICT BUT ENTERPRISE OWNERS FACED VERY DIFFERENT CONSEQUENCES ACROSS HIGH AND LOW EXPOSURE REGIONS.

Daily and weekly wage laborers who were active during the lockdown faced 47 percent income drops on average across all hosts. Monthly salaried workers were most protected with losses ranging from 15-19 percent across all regions. Non-wage workers however, including business owners, were very differently affected across high and low exposure hosts. Those in high exposure areas reported 12 percent reduction in earnings on average, while in low exposure areas, reported decrease in earnings from baseline rates was 43 percent on average.

RECENTLY DISPLACED ROHINGYA

SIGNIFICANT DROPS IN EMPLOYMENT IN CAMPS SINCE BASELINE, DRIVEN BY MULTIPLE FACTORS, RELATED AND UNRELATED TO THE COVID—19 CRISIS.

Among the few Rohingya participating in the labor force, employment has dropped from 64 percent in 2019 to 23 percent, while unemployment has increased sharply from 36 percent to 77 percent. More than half of the working-age male camp respondents have not worked since January 2020, suggesting that this trend is driven by pre-COVID 19 factors such as the government directive circulated in September 2019 (post-baseline) banning cash-for-work program in camps.

ABOUT THE COX'S BAZAR PANEL SURVEY AND HIGH FREQUENCY FOLLOW UPS



The CBPS was designed to be representative of recently arrived Rohingya (displaced after August 2017) and Bangladeshi households residing in host communities in Cox's Bazar, and the baseline for this survey was completed in August 2019. To distinguish between host communities that are more or less affected by the arrival of these Rohingya, the survey's sampling strategy uses a threshold of 3-hours walking time from a campsite to define two strata for hosts: (i) Host communities with potentially high exposure to the displaced Rohingya, and (ii) Host communities with potentially low exposure.

Bangladesh's local economy started experiencing impacts of the COVID-19 crisis in early to mid-March, with the first case being reported on 7 March. A full countrywide lockdown was in place from 26 March-28 May. This brief presents findings from the first round of the CBPS high-frequency follow-ups (conducted between April-May, 2020) on how this crisis has impacted key labor market indicators and outcomes in Cox's Bazar across the host and Rohingya population. The findings from the follow-up are presented as a panel update on baseline adults¹.

¹The results are weighted using adjusted baseline weights that account for non-response and selection into the interview based on characteristics measured at baseline.

SEEMINGLY NORMAL EMPLOYMENT RATES WITHIN LOCKDOWN MASK HIGH RATES OF TEMPORARY ABSENCE FROM WORK.

Reported employment among hosts, even within the lockdown period, remains high (89 percent)². However, the figure masks a large share of the labor force who are reporting being employed³ but temporarily absent from work i.e. not actively working. Almost 2 out of 3 hosts who report being employed were in fact not actively working in the 7 days before the survey. In contrast, during the baseline (Mar-Aug '19), temporary absence among the employed was less than 1 percent. Unsurprisingly, an overwhelming majority of temporarily absent workers attributed the reason to COVID-related restrictions to work.

Figure 1: Labor force indicators for hosts between the baseline and follow up

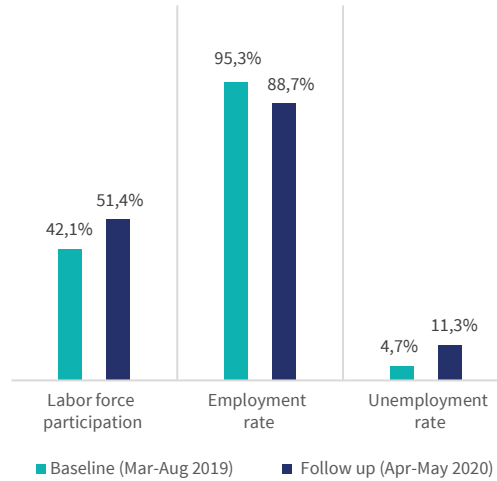
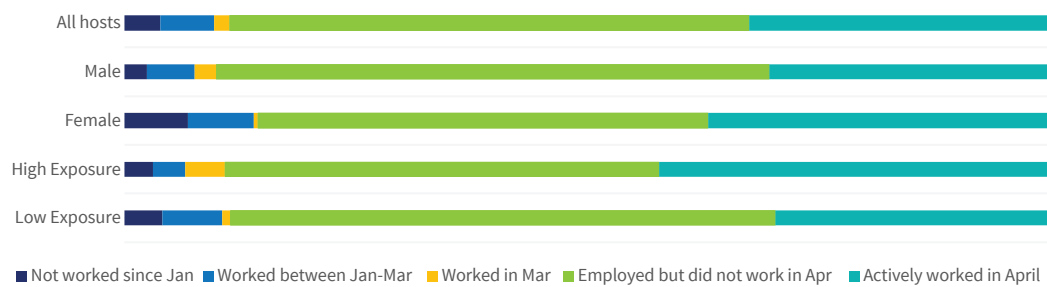


Figure 2: Host labor force work status since jan '20



Host communities also reported increased rates of labor force participation, and this was accompanied by a 7 percent decline in the employment rate; and a similar rise in the unemployment rates. High exposure hosts demonstrate relatively smaller changes from baseline across all indicators, in comparison to low exposure hosts.

² Bangladesh's local economy started experiencing impacts of the COVID-19 crisis in early to mid-March, with the first case being reported on 7 March. A full country-wide lockdown was in place from 26 March-28 May. The labor module measures outcomes across three periods: (i) During the survey period (7 days prior to survey period in late April to mid-May); (ii) from 1 March to early April 2020 for individuals who report being unemployed during the survey period (when a potential lockdown was under discussion and gradually came into effect); and (iii) from January to early March 2020 for individuals who report being unemployed 1 March onwards (when the first known cases of COVID-19 were identified in Bangladesh).

³ The findings from the follow-up are presented as a panel update on baseline adults. Employment is defined as the share of the labor force (adults over the age of 15 who are either currently employed or not employed but actively seeking work over the past 7 days) reporting having worked at least one hour in the past 7 days or being temporarily absent from work. Similarly, unemployment rates are reported as a % of the labor force that has not worked in the past 7 days or been temporarily absent from a job but has actively looked for work in said recall period.

THE POPULATION TEMPORARILY ABSENT FROM WORK ARE PRIMARILY NON-WAGE OWN ACCOUNT WORKERS AND DAILY OR WEEKLY WAGE LABORERS, INDICATING UNPAID ABSENCE FROM WORK.

About 1 in 3 hosts who report being employed but temporarily absent from work report being daily or weekly wage laborers; and half of them are non-wage own account workers. Both of these employment types generate earnings based on work done i.e. either on how many hours or days worked for the former, or how many customers or clients were served for self-employed workers. This indicates that despite reporting that they had employment during the lockdown, these temporarily absent workers were likely not paid or generating income during this time; and that they were unlikely to receive any back pay⁴.

Figure 3: Share of employment type among temporarily absent hosts



Table 1: Top 5 Jobs Reported By Actively Working Hosts In Cox’s Bazar

HIGH EXPOSURE HOSTS	%	LOW EXPOSURE HOSTS	%
Farmer (on own land)	15%	Self-run agricultural activities	16%
Agricultural day laborer	14%	Small businessman (tongs)	11%
Small businessman (tongs)	9%	Agricultural day laborer	10%
Self-run agricultural activities	9%	Private sector employee	8%
Rickshaw/van driver	5%	Hens/duck rearing	5%
Other	48%	Other	51%

INDIVIDUALS WITH AGRICULTURAL AND HOME-BASED INCOME SOURCES REPORTED BEING MORE ACTIVE IN THE LABOR MARKET DURING THE LOCKDOWN, COMPARED TO THOSE IN SERVICE-SECTOR JOBS.

Rates of temporary absence were higher for low exposure hosts (67 percent) than for high exposure hosts (53 percent); and for employed men. This could potentially be explained by the nature of jobs that these groups are typically engaged in: population segments which were more dependent on agricultural and home-based income generating activities were able to participate in some kind of economic activity during the lockdown, compared to those in service sector jobs that were less accessible during this period. The table below highlights how active income sources during the lockdown (April) are mostly agricultural, not only in the more rural high exposure areas but also among active jobs reported in the relatively more urbanized low exposure regions⁵.

⁴ The survey followed a standard labor module and asked about wage incomes in the employment reported by these temporary workers during the last seven days that they worked. However, it did not ask if these workers were also paid during this absence from work or if they expected to be paid for this period when they were able to return to work. This precludes a calculation of the income losses

faced by these temporarily absent workers from this survey round.

⁵ According to baseline findings, 41 percent of hosts in high-exposure areas rely on agriculture for their livelihoods, compared to 30 percent for hosts in low-exposure areas. Source: CBPS Brief III: Insights from The Labor Module on Work and Wages in Cox’s Bazar

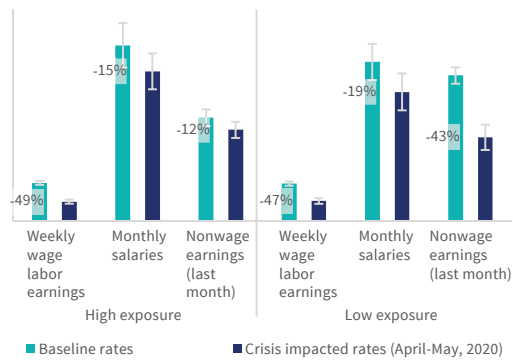
THOSE WHO REMAINED ACTIVE DURING THE LOCKDOWN REPORT REDUCED EARNINGS, WITH LOW EXPOSURE REGIONS BEING MORE AFFECTED ACROSS ALL EMPLOYMENT TYPES.

Compared to pre-crisis baseline rates, people who worked during the lockdown reported reduced earnings, across all employment types, particularly in low exposure areas. Daily and weekly wage laborers faced much higher losses (49 percent) in income compared to other workers across all hosts. Monthly salaried wage workers have relatively been more protected in terms of income losses, facing 15-19 percent reductions across high and low exposure hosts.

INCOME LOSSES DURING THE LOCKDOWN FOR ACTIVE NON-WAGE OWN ACCOUNT WORKERS AND BUSINESS OWNERS VARY ACROSS HIGH AND LOW EXPOSURE AREAS.

Among non-wage workers, high exposure hosts faced much lower income losses (15 percent) than their counterparts in low exposure areas (43 percent). With high exposure hosts more dependent on agriculture and low exposure hosts on industrial and service sector

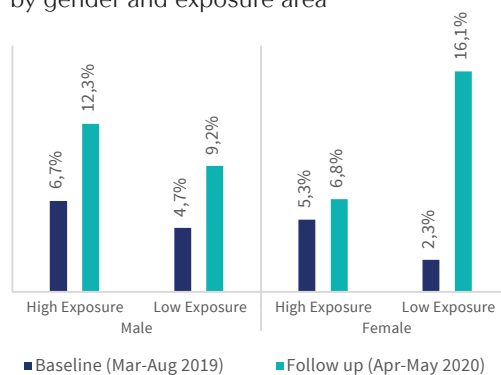
Figure 4: Comparison of precrisis and lockdown earning levels for different employment types



occupations⁶, this further highlights the differential impact that the lockdowns have had on the economic sectors, with agricultural work facing lower disruptions than other activities.

INCREASED UNEMPLOYMENT: MEN IN HIGH EXPOSURE AREAS AND WOMEN IN LOW EXPOSURE AREAS FACE PARTICULARLY HIGH RATES OF UNEMPLOYMENT.

Figure 5: Increasing unemployment rates by gender and exposure area



The unemployment rate for men doubled on average across both high and low exposure areas. Unemployment rates for women in high-exposure areas have not changed significantly, unlike for women in low exposure areas, where unemployment has increased by almost eight times the previous rate (Figure 5).

⁶ Cox's Bazar Panel Survey Brief 3: Work and wages in Cox's Bazar. World Bank.

NEW LABOR FORCE ENTRANTS, MOSTLY WOMEN AND SECONDARY HOUSEHOLD MEMBERS, ARE DRIVING UP PARTICIPATION AND UNEMPLOYMENT RATES.

More than a quarter (27 percent) of the current labor force were non-participants during the baseline. This increase is largely driven by low-exposure hosts (30 percent), where the share of new entrants into the labor force is twice that among high-exposure hosts (15 percent). 17 percent of these new entrants are unemployed, with a gender ratio that is consistent with the unemployment rates. Two-thirds of new host labor force entrants are women, again largely driven by low-exposure regions (70 percent); and close to 60 percent of these entrants are secondary household members i.e. the spouses or children of the household heads.

Given the unique context of the COVID-19 lockdown, it is likely that reported rates of employment in this rapid phone survey – which derive in large part from a high rate of temporary absence - are underestimating the magnitude of job losses which may be realized once the lockdown lifts and workers attempt to rejoin their jobs. Whether these expectations will translate to re-employment of these largely informal wage workers post-lockdown will depend on a host of factors such as which sectors in the local economy are prioritized in the partial reopening of the economy, how localized quarantines of neighborhoods and areas translates to job accessibility and mobility, and the overall economic outlook for the major sectors of employment in the economy.

REPORTED RATES OF EMPLOYMENT AND UNEMPLOYMENT FOR HOSTS MAY NOT REFLECT THE EXTENT OF JOB LOSSES POST-LOCKDOWN.

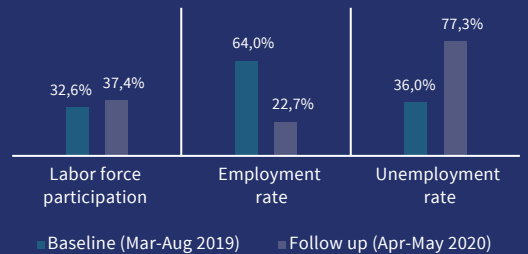
THE DISPLACED ROHINGYA EMPLOYMENT DECLINED SIGNIFICANTLY WITH A SHARP RISE IN UNEMPLOYMENT COMPARED TO BASELINE, BUT MOST OF THIS DECLINE PRECEDES COVID-19.

During the baseline (March-August, 2019), one out of three Rohingya adults participated in the labor force, with two third of them employed (or roughly two-ninths of the working age population). Current employment is one third of baseline rates while unemployment has doubled between August 2019 to May 2020.

However, work status indicators⁷ for the camp population show that unlike for hosts, the majority of the changes in employment occurred after the baseline and preceding the COVID-19 crisis. Two

thirds of the drop offs occurring before March 1, in the pre-COVID-19. Only a third of these people lost jobs due to pre-COVID regulations and changes in camps, the rest were unemployed during the baseline as well.

Figure 6: Comparison of labor force indicators for camps between the baseline and follow up



⁷ The work statuses were derived in the survey in order of most recent period worked in i.e. a respondent would only be asked if they had worked in March if they report-

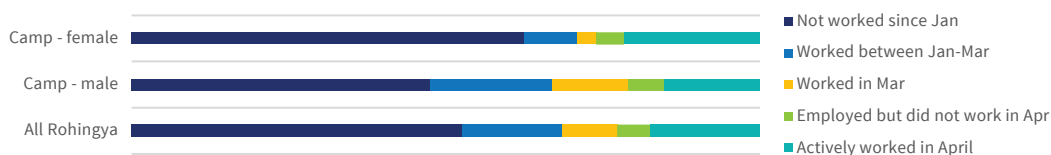
ed not being currently employed, and if they had worked between January to March, if they reported not being employed in March either.

THE FEMALE LABOR FORCE REPORTS HIGHER RATES OF ACTIVE EMPLOYMENT THAN MEN, WHO SEEM TO HAVE FACED PROGRESSIVE JOB LOSSES SINCE JANUARY 2020.

22 percent of the female labor force in camps reports actively working for pay in the 7 days prior to the survey (April-May 2020) as opposed to the male labor force who not only report lower shares of active employment (15 percent)⁸ but also higher losses in employment progressive-

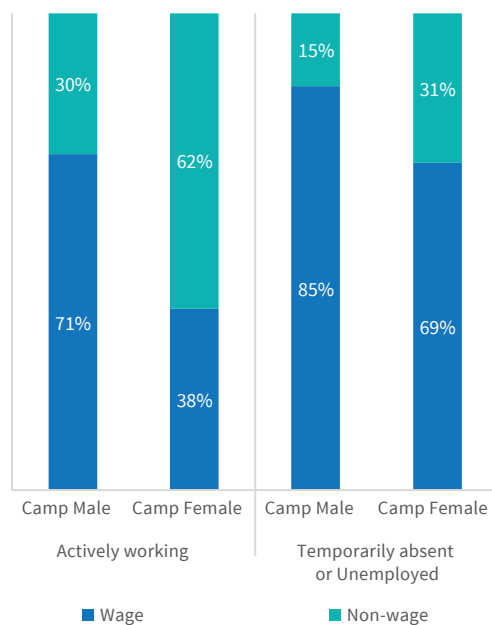
ly since January, 2020. Job losses in camps in March, 2020 are possibly related to reduced operations in camps due to COVID-19 which came into effect officially at the same time as the government lockdown at the end of March⁹.

Figure 7: Share of camp respondents by work status since January, 2020



HIGHER SHARES OF ACTIVE EMPLOYMENT IS RELATED TO SIMILAR FACTORS AS FOR HOSTS: ENGAGEMENT IN HOME-BASED, SMALL SCALE AGRICULTURAL OR SELF RELIANCE ACTIVITIES AS OPPOSED TO OUT-OF-HOME WAGE LABOR.

Figure 8: Share of wage and non-wage employment among those who are active or temporarily absent



Baseline findings showed that women in camps are more likely to be working on their own account (non-wage) and largely on home-based activities such as vegetable gardening, hens/duck rearing and tailoring, while men were more likely to be engaged in a diverse set of non-agricultural wage labor activities outside the house¹⁰.

Male workers in camps are also more dependent on wage labor, compared to women. The share of wage and non-wage work among the temporarily absent and unemployed camp population suggests that job loss has been high for those who were previously engaged in wage work. The ban on cash for works programs and reduced NGO operations due to COVID-19 were therefore more likely to affect male employment rates. On the other hand, women in camps, are largely engaged in self-reliance activities for consumption and income generation, which are often also facilitated by humanitarian programs

⁸ Bangladesh’s local economy started experiencing impacts of the COVID-19 crisis in early to mid-March, with the first case being reported on 7 March. The Government lockdown was initiated on 26 March, which continued throughout the months of April-May. The survey was conducted in mid-April and assumes 1 March as the cut-off date to segregate pre- and post-COVID-19 impacted time periods. Labor trends prior to 1 March are thus indicative of market volatility attributed to factors unrelated to this crisis.

⁹ Since 25 March, all non-critical operations in camps have been suspended or reprogrammed including Complementary Food Voucher, Farmers’ Markets, Self-reliance Support, Livelihood Support, and Shelter/NFI activities – which were the main sources of income for the Rohingya population in camps.

¹⁰ Cox’s Bazar Panel Survey Brief 3: Work and Wages in Cox’s Bazar (page 7).