

Garment workers financial behaviour COVID-19 crisis

Egypt Survey - July 2020

COVID-19 Worker Survey Overview

In March 2020, the government of Egypt introduced curfews to reduce and contain the spread of COVID-19. Schools and training were closed, and employers could only have 50% staff utilization on premises. The garment sector was impacted by many global brands cancelling/suspending orders when European and US retail markets were closed due to widescale lockdowns.

HERproject and CDS conducted a Worker Survey in July 2020 to gain insights into workers financial behavior during March-May 2020, and how being paid digitally has helped them. The survey was conducted with 136 Lotus workers (46 women and 90 men) – 104 were peer educators & 32 non-peer educators.

Scope

- **Objective:** understand the financial experience of garment workers during the COVID-19 crisis and identify gender gaps/differences in these behaviors.
- **Methodology:** phone-based mix survey (open and closed questions).
- **Sample:** Quota sample of 136 garment workers.
- **Categories of analysis:** gender, job position, peer educator/non-peer educator.*

Limitations

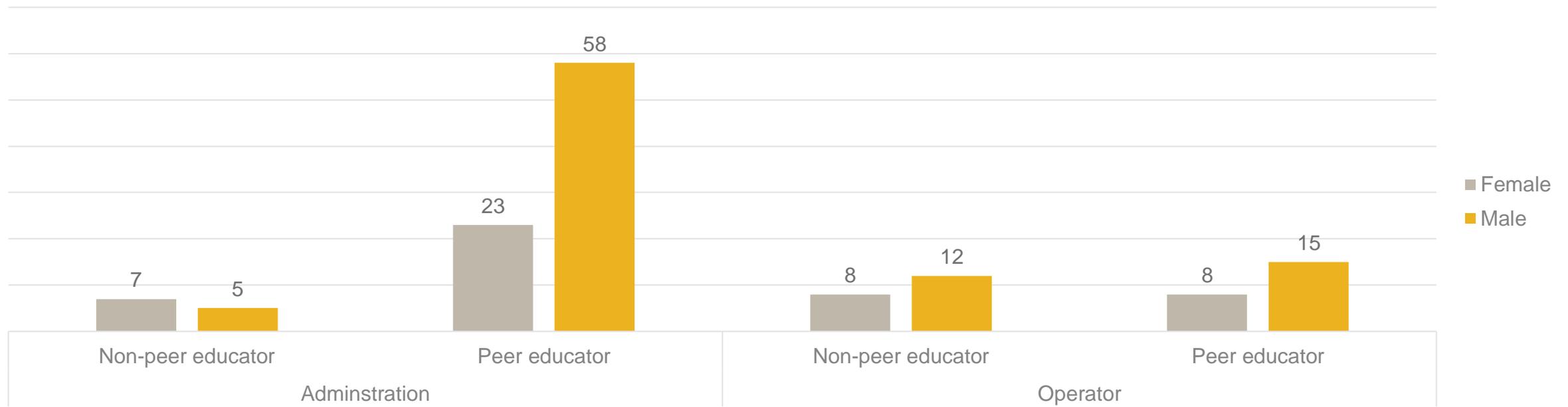
- Some workers left the factory or changed their phone number during the pandemic.
- Many female workers didn't answer the phone, or their device was out of service.
- Both of the above challenges were addressed by asking for new worker's contact details.
- Using a quota sample allows for larger sample bias and results can't be extrapolated to the whole factory population.

* Based on the principle of intersectionality: <https://www.ywboston.org/2017/03/what-is-intersectionality-and-what-does-it-have-to-do-with-me/>

Overview of workers surveyed

The survey sample of 136 workers was as follows:

- 93 workers from administration and 43 workers from operations.
- 104 peer educators (PE*) and 32 non-Peer educators (non-PE)
- 46 female workers and 90 men workers (this represents the current gender distribution of men and women workers in the whole factory and the Peer Educators distribution (30% women – 70% men).
- 130 workers were paid into bank accounts and 6 (majority female operators) were paid in cash.



*Peer Educators received HERfinance training during June – December 2019, covering 6 modules – Introduction to Payroll, Financial Products and Services, Financial Management, Budgeting, Savings and Talking about Finances with your family. They shared their learning with up to 20 of their peers. A non-peer educator did not receive this training, however may have been supported by a peer educator.

Workers financial behaviour during COVID-19

Most workers with accounts withdraw all their wages on payday during the Covid-19 curfews. Of the rest, a significant number used their accounts for savings during this time. Usage of debitcards and smart wallets was low. Gender power relations, a cash-based ecosystem, and a lack of financial infrastructure (ATM) are some of the main reasons that might have influenced workers' financial behaviors during this time.



Cashing out: *

- On payday 53% of female workers and 73% of male workers withdrew all their money to pay cash expenses - rent, bills, and food.
- 100% of men surveyed went to the ATM by themselves. For women, 80% of female peer educators and 60% of female non-peer educators went to the ATM themselves. Someone else went to the ATM on behalf of 30% of the female workers.

My fiance [went to the ATM] because he refused to let me go out due to corona. – female worker (non PE)

ATM at lotus was very crowded. I went to another ATM. – male worker (PE)

Use cash & didn't find vendors surrounding me that allow using debit card for the payment. - male operator (non PE)

what we learned about saving and financial planning was especially useful during the COVID-19 crisis. - female administrative worker (PE)

Debit card usage:

- 20% of PE surveyed used their debit card during this time. Non-PE did not use the card at all. The main reason for not using it was having withdrawn all their wages.
- 17% of PE interviewed helped others to open and use bank accounts during this time.

Smart wallet usage:

- 34% of employees surveyed have a Smart Wallet, of which 28% used the Smart Wallet during this period: 91% men and 9% women.
- 40% of PE's interviewed helped others to open and use a smart wallet during this time

Saving:

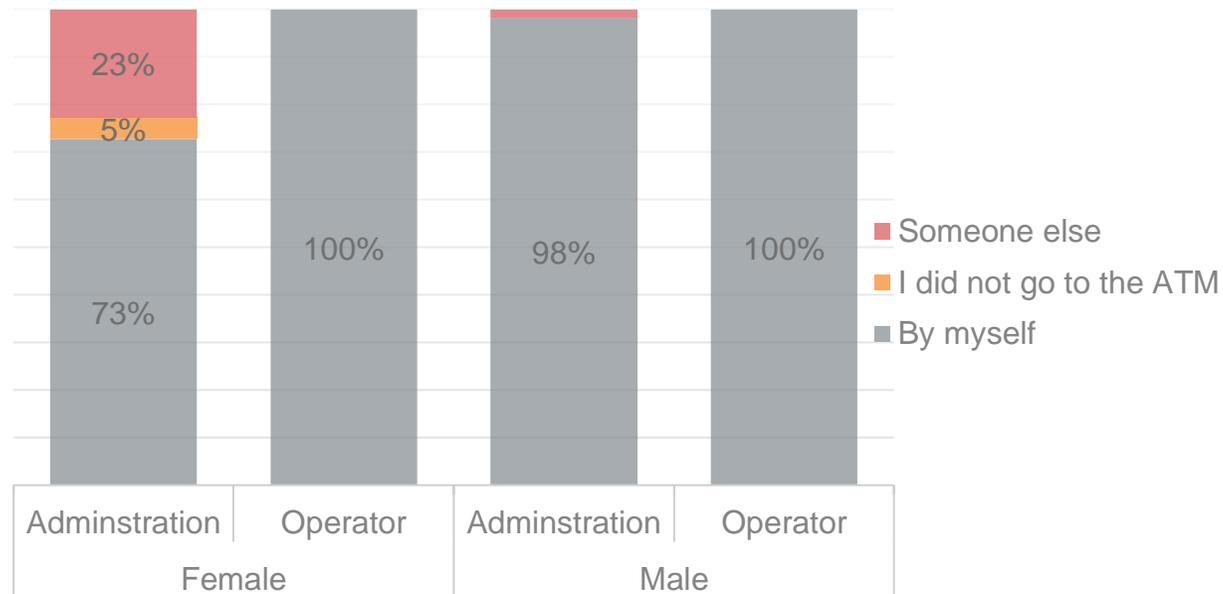
- 40% of female workers and 26% of male workers were able to save during the lockdown. Workers receiving cash wages made a deposit into their bank account after payday.
- 55% of women and 57% of men reported confidence to meet their expected expenses over the next two years. For comparison, in the end line survey in January, 77% of women, and 84% of men reported confidence for the same.



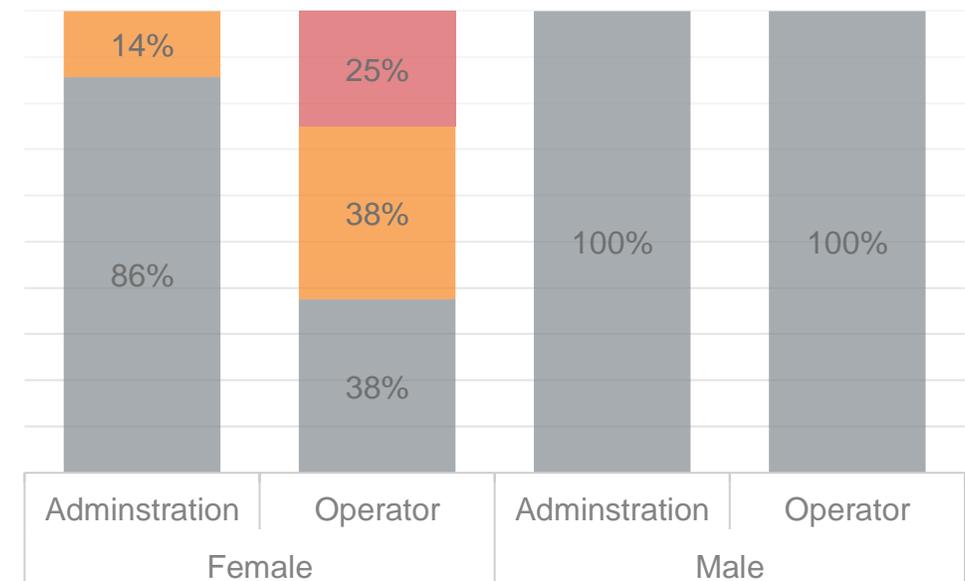
Female workers less likely to visit ATM's than men

100% of male employees surveyed, regardless of their position at the factory, or if they had attended peer educator training, visited an ATM by themselves during the crisis. More nuances are evident in female workers, especially in the operator position. Only 73% of female peer educators visited an ATM. For female operators who were not peer educators, 25% reported that someone else went on their behalf to the ATM, while 38% did not go at all to withdraw their wages. *

Peer educators



Non-peer educators



*Survey question (closed question): During that same period (when Lotus was closed due to the COVID-19 crisis), did you go to the ATM yourself or did someone else go for you?

Debit card usage is low for both male and female workers

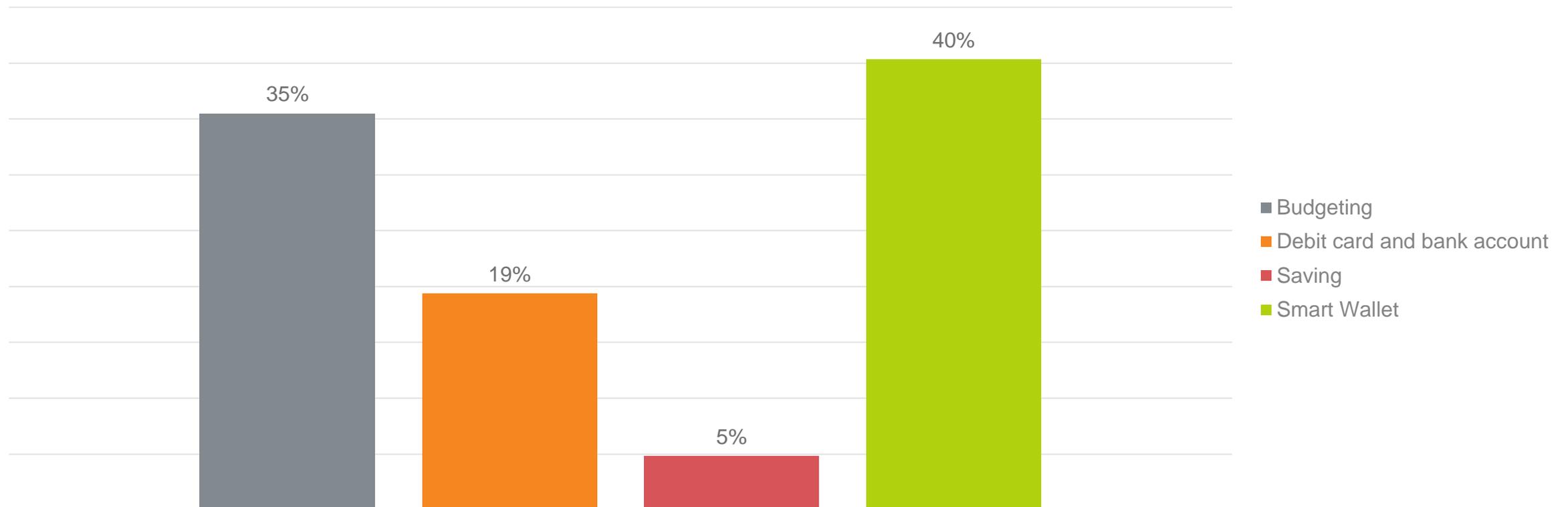
The main reason workers gave for not using their debit card was because they withdrew all their money to pay their expenses in cash. One result that especially draws the attention is that 27% of female operators (non-PE) said they don't know how to use the card.*



*Survey question (open question): Why didn't you use it (the debit card)?

Peer educators delivered support in Smart Wallets

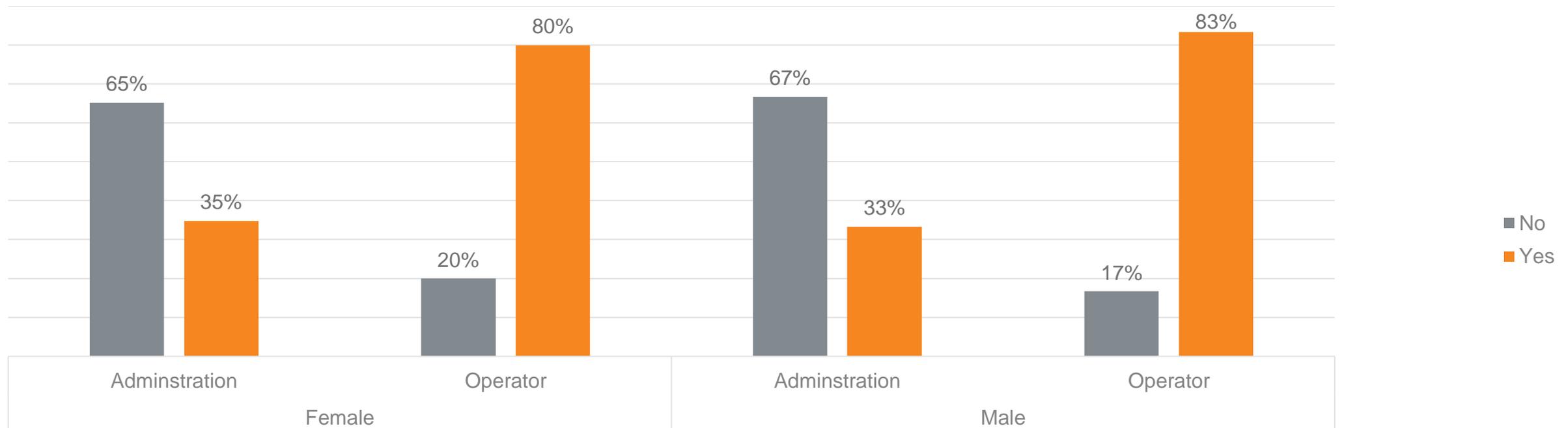
Despite the low ownership and usage of Smart Wallets, this was the product which Peer Educators help the most their family members and friends with during the crisis (40%).*



*Survey question (open question): What did you help them with? How did you help them?

Operators used their savings during the crisis

Female workers were more likely to save than men before the crisis. In this group there is a 20-point difference between PE and non-PE: 80% of female PE have savings, compared to 60% of women non-PE. However, regardless if they are PE or not, most of the female and male operators used their savings during the crisis, while most of the workers in the administration did not.*



*Survey question (closed question): Have you used them (the savings) during the COVID-19 crisis?

Changes in key expenses during COVID-19

Spending changed during the lockdown period, with workers less able to go out, and also being concerned about money. Women reported the biggest changes with more of their salaries going towards household expenses that before the COVID-19 pandemic, especially for healthcare.*



Food: 40% of women and 27% of men increased spending on food



Rent: the majority of workers reported that rent costs stayed the same. However, 29% of women reported paying more towards their rent during this time.

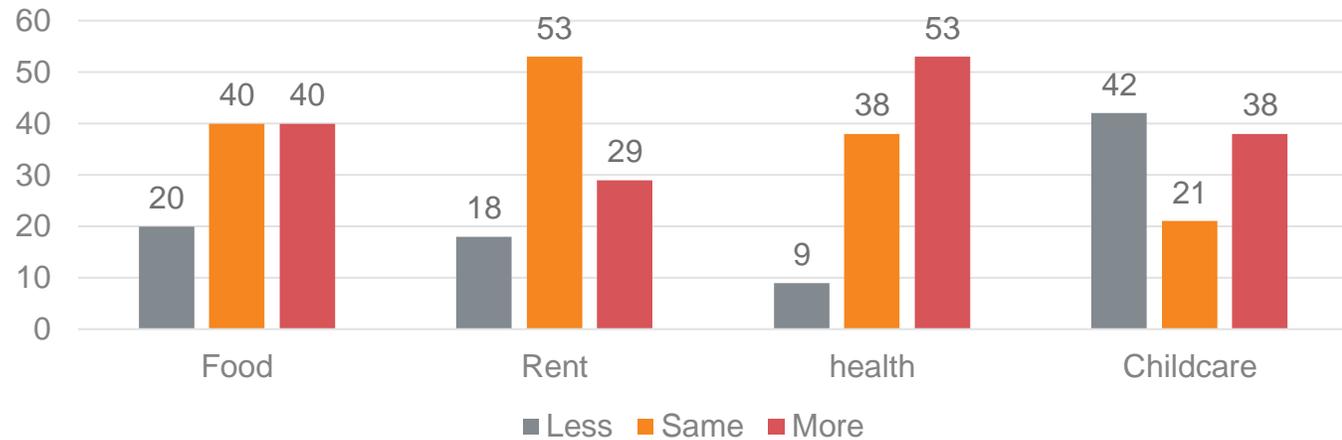


Health: 53% of women reporting spending more on health costs during Mar-June, in contrast to 27% of men.

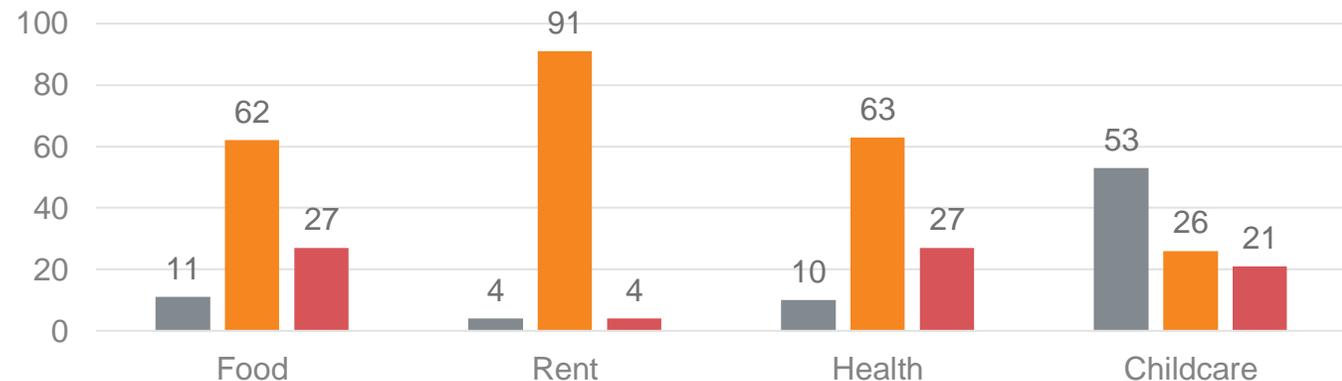


Childcare: the majority of workers reported decrease in childcare costs during Mar-June, while workplaces and schools were closed. 38% of women reported increase compared to 5% of men.

Female workers



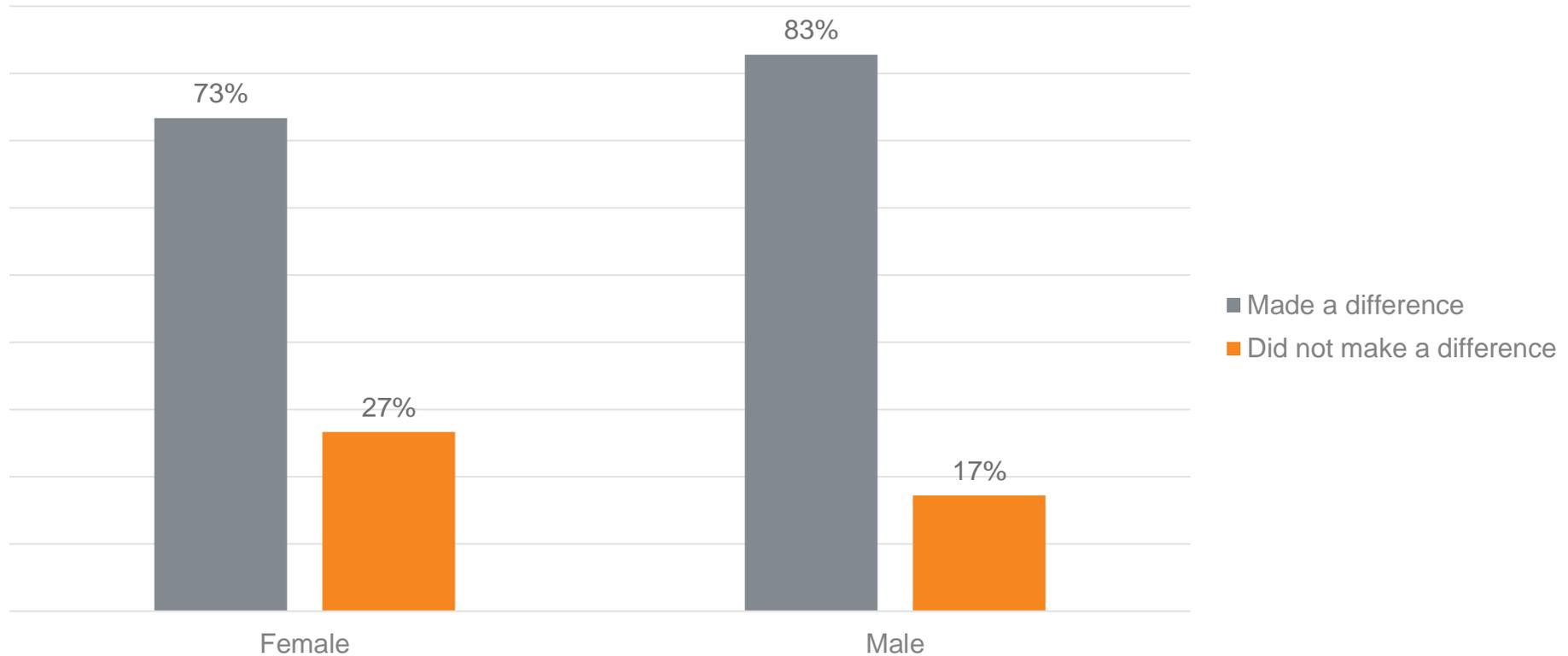
Male workers



*Survey question (closed question): During the time the factory was closed, have you spent more, less, or the same on food/rent/health services/childcare?

Benefits of Digital Wages during COVID 19

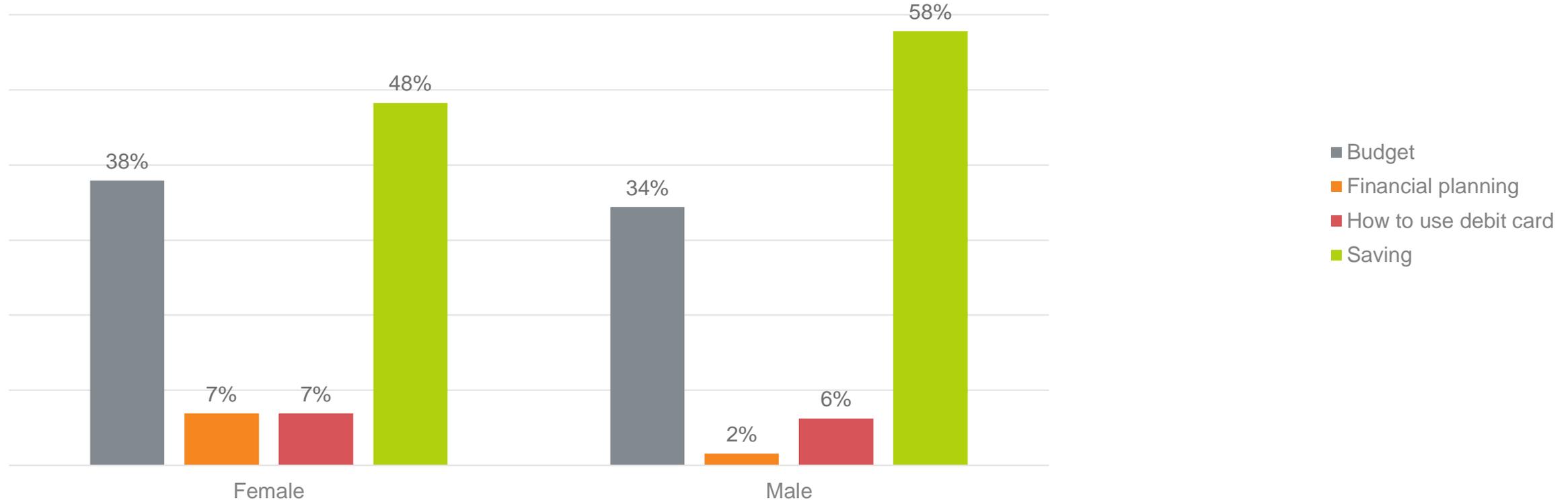
73% of female workers and 83% of male workers believe having a bank during the crisis made a difference. They shared that bank accounts allow them to control and manage their wages more easily and pay their bills. Yet, 27% of female workers did not see a difference between having a bank account or receiving cash.*



*Survey question (open question): What difference has been paid into a bank account made for you during COVID-19? How does it compare with your friends/family without a bank account?

Saving and budgeting training helped workers to manage their wages during the COVID-19 crisis

55% of PEs said that they found especially useful during the crisis the content about savings they received during the HERfinance training in 2019 – 2020. 35% of them said budgeting was especially relevant to face the crisis. *

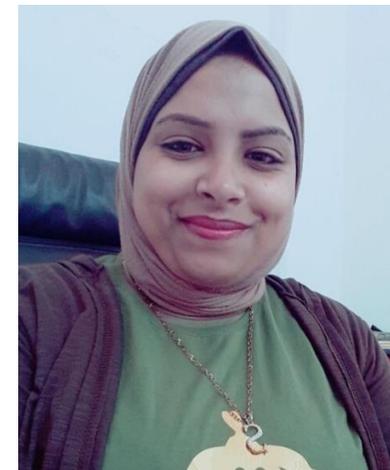


*Survey question (open question): What aspects of the HERfinance training were especially useful during the COVID-19 crisis?

Workers stories

Sally Mohamed, 28 years old, lives in Port Said, and has worked at Lotus for eight years as an operator and has been trained as a HERfinance peer educator.

I've been paid into an account since two years till now. So when Lotus was closed during corona, I was paid into my account. The first thing I did when I received my pay [when Lotus was closed] was go to the ATM myself so I could pay for food, personal expenses and my saving group money. Learning saving skills and budgeting [through HERfinance peer educator training] has helped me. I'm saving my money into my payroll account. I saved more money during Corona time.



Ibrahim Elsadat Abo-Elmaity, 36 years old, lives in Port Said with his family, including 3 young daughters. Ibrahim is a case study officer and has worked at Lotus for 6 years.

Being paid into an account is much safer. During Corona, if I were paid in cash, I would have had to go to the factory in person and disinfect the money as my colleagues did when they received their salaries in the envelope. I waited for a while to avoid the crowds at the ATM on payday, then I withdraw my money safely. I spent my wages on food and household expenses. I used online payment for bills, mobile phone top-up, and shopping on Souq.com. My expenses became less during Corona time, we stayed at home.



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