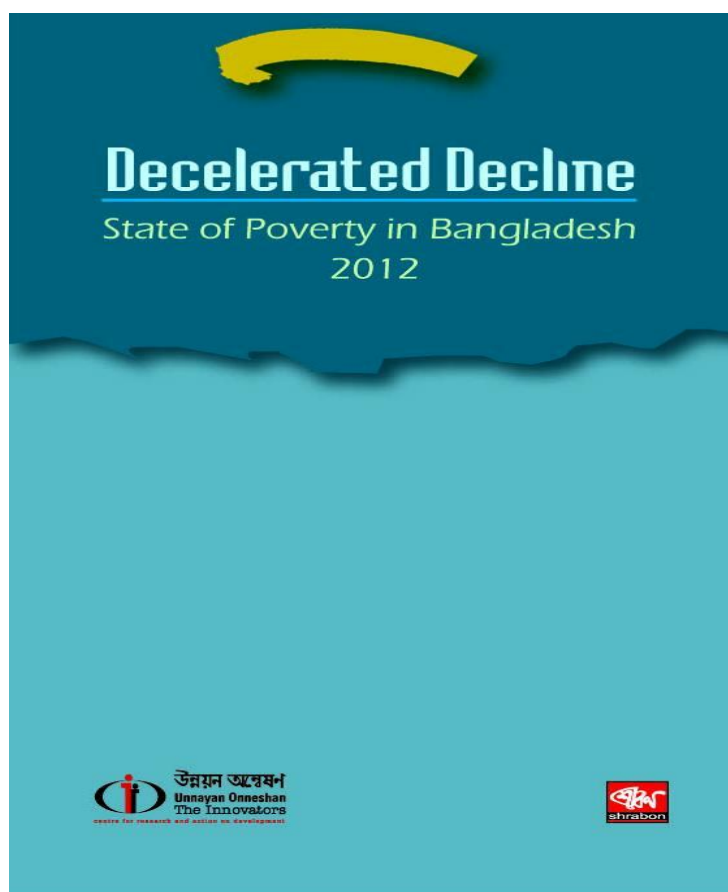


ECONOMIC AND LIVELIHOOD ISSUES OF URBAN POOR

K. M. Mustafizur Rahman



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ECONOMIC AND LIVELIHOOD ISSUES OF URBAN POOR

K. M. Mustafizur Rahman

1 INTRODUCTION

The eradication of poverty as well as meeting the basic needs of people is the primary goal of the government, however, it is not the only one that the government is trying to attain. Bangladesh is known as one of the poorest countries of the world. There has been an ongoing battle against challenging the living conditions of the poor especially, in the urban areas. Recently, the slow pace of the reduction of poverty in Bangladesh could be interpreted that poor Bangladeshi households are experiencing a constant state of deprivation with little change from year to year. There is quite general agreement among the social scientists that poverty is a multidimensional phenomenon with complex linkages (Figure 6.1). Poverty can be described as a physiological phenomenon more than denoting a lack of basic necessities like food, health, education, shelter and clothing. Poverty is also a state of deprivation and powerlessness, where the poor are being exploited and denied in the participation of decision-making, affecting them seriously.

Although poverty will likely remain disproportionately rural, it will nonetheless become predominantly an urban phenomenon as urban population growth outpaces in the rural areas (Ravallion, 2001b). In Bangladesh, the incidence of poverty as well as the rate of decrease of poverty is higher in the rural areas than that of the urban areas (Titumir and Rahman, 2011). The income generating activities with other opportunities like health, education, etc. in the urban areas are more influential factors, responsible for the rural-urban migration which have resulted in the rapid growth of city like Dhaka.

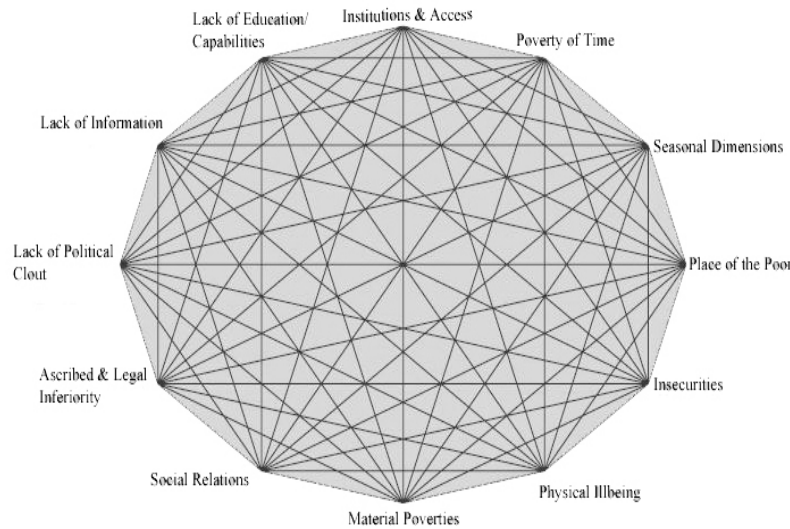
Like many other developing cities, Dhaka city is being overwhelmed in the last few decades, which is not commensurate with its existing urban facilities. As a result, a huge number of destitute poor are taking shelter in different slums and squatters (CUS, 1990; Islam, 1996; Huq-Hussain 1996; Hossain, 2001). The number of slum dwellers in the world has already crossed the one billion mark when one in the three city residents live in inadequate housing with no or few basic services and often face evictions forcedly from their settlements (UNHABITAT, 2006). The urban poor have migrated from different rural districts due to 'push' and 'pull' factors where push factors are more frequent. After migration towards the city, the poor migrants are failing to achieve their desired targets and sometimes, they have to consider their previous life better than the present one¹.

A growing number of poor urban people is living in poor quality housing with inadequate provision of water, sanitation and drainage along with minimal or no social services or basic infrastructure. As a result, their livelihoods are found under continuous threat. The increased attention is being paid to the urban livelihoods following from a wide recognition that significant portions of urban poor households in the developing countries

¹ See Appendix A

are vulnerable in terms of their sustainable livelihood systems (Rakodi, 1995). Thus, in this chapter, an attempt is made to explore the economic and livelihood issues of urban poor that can be helpful in formulating effective policies and programmes regarding the issues.

Figure 1: The web of poverty's disadvantages



Source: Adopted from Chambers, 2006

2 DATA SOURCES AND METHODS

The study is based on a sample of 105 respondents from different slum areas in different places (Panthapath, High Court Area, Malibag and Agargaon) of Dhaka city. A stratified sample has been drawn randomly to ensure the inclusion of people of all categories. The data for the present study have been obtained through a survey in July–August, 2012. The main instruments for data collection were well-structured questionnaires administered on respondents by the trained enumerators under the supervision of Unnayan Onneshan. Secondary data have also been collected from different sources like Bangladesh Bureau of Statistics (BBS), related journals and books to explain the current scenario of urban poverty in Bangladesh.

3 RESULTS AND DISCUSSION: EMPIRICAL EVIDENCE FROM DHAKA CITY

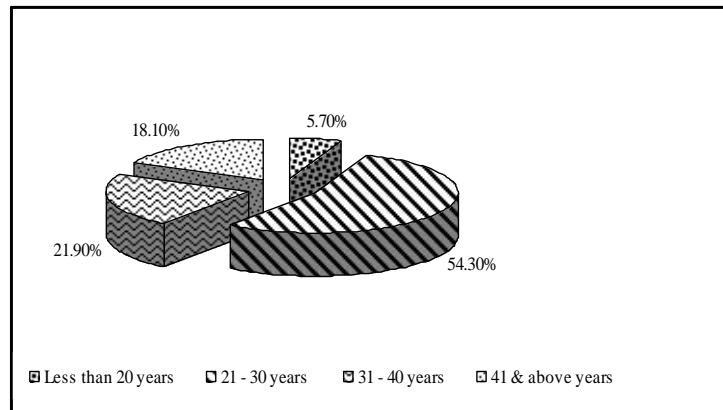
A number of characteristics of respondents are there which influence the socio-economic performance considering as the subject matter of analysis and identification of the issue of poverty in Bangladesh. Under these circumstances, this section of the study aims at eliciting information on the basic and household characteristics, health status and other livelihood issues of the urban poor.

3.1 Socio-Demographic Characteristics of the Respondents

Socio-demographic characteristics of the respondents include age, sex and marital status of the respondents under the study.

Age of the Respondents: Considering the age of the respondents, more than half of the respondents (54.3 percent) are in the age group of 20-30 years followed by the age group 31-40 years that is 21.9 percent. Moreover, 18.1 percent of the respondents of the study are in the age group 41 years and above. Whereas, only a little portion of the respondents (5.7 percent) are found in aged less than 20 years (Figure 2). It indicates that most of the poor respondents have come from the rural other areas to Dhaka city with a younger age. The average age of the respondents is 32.7 years. Therefore, it might be conclude that they are more energetic being young compared to their older counterparts.

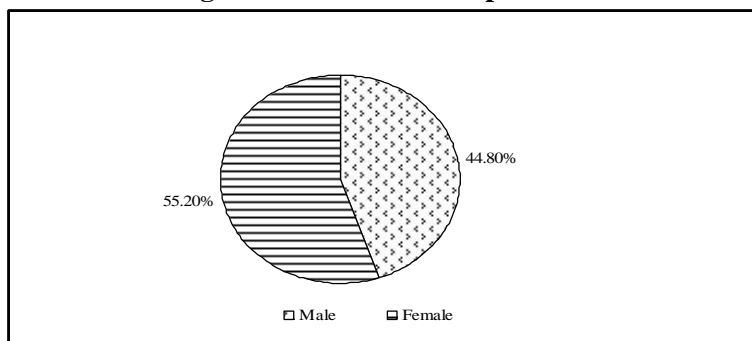
Figure 2: Age composition of the respondents



Source: Unnayan Onneshan Field Survey, 2012

Sex of the Respondents: Among the total respondents, 55.2 percent (58) respondents are female whereas 47 respondents (44.8 percent) are male (Figure 3). The survey might be influenced as most of the male were outside their home for work during the survey time. So, at that time, it might be more difficult to reach them than their female counterparts stayed in home.

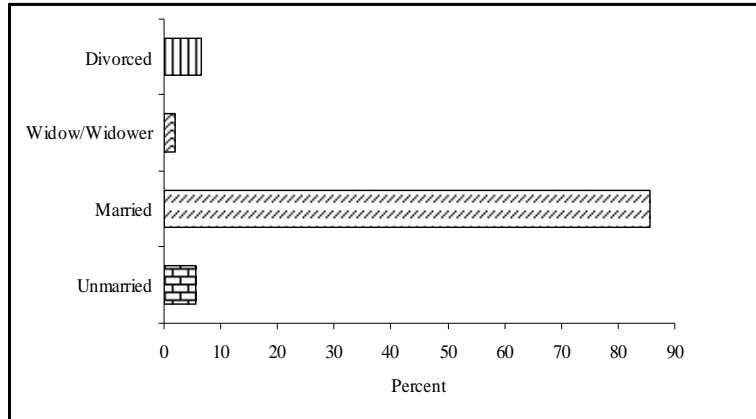
Figure 6.3: Sex of the respondents



Source: Unnayan Onneshan Field Survey, 2012

Marital Status of the Respondents: Based upon the survey data, most of the respondents are married (85.7 percent) followed by divorced and unmarried category that contains 6.7 percent and 5.7 percent respectively. Only 1.9 percent respondents are widow/widower (Figure 4).

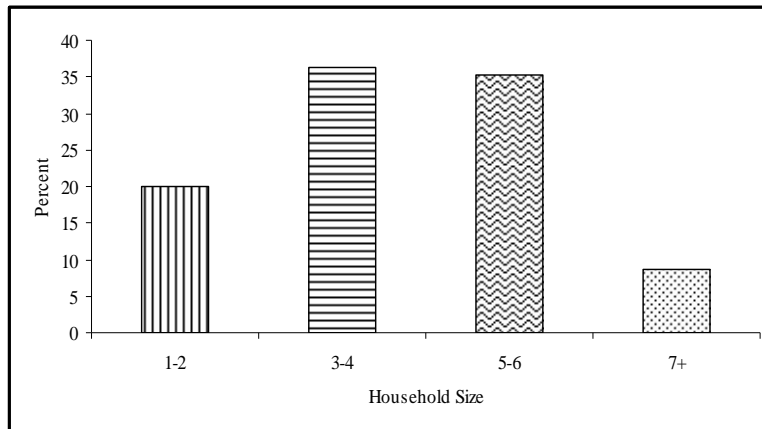
Figure 4: Marital status of the respondents



Source: Unnayan Onneshan Field Survey, 2012

Household Size of the Respondents: Poverty is more pronounced among higher size household (HIES, 2010). Large family size can be an important contributor to household poverty. The widely held view is that larger families tend to be poorer in the developing countries influencing research and policy and considerable evidence is there of a strong negative correlation between household size and consumption (or income) per person in the developing countries.² The average household size of the study respondents is 4.2. More specifically, majority of the respondents (36.2 percent) have their household size 3-4 whereas 35.2 percent have their household size 5-6 followed by household size 1-2 and 7+ that contains 20.0 percent and 8.6 percent respectively (Figure 5).

Figure 5: Household size of the respondents

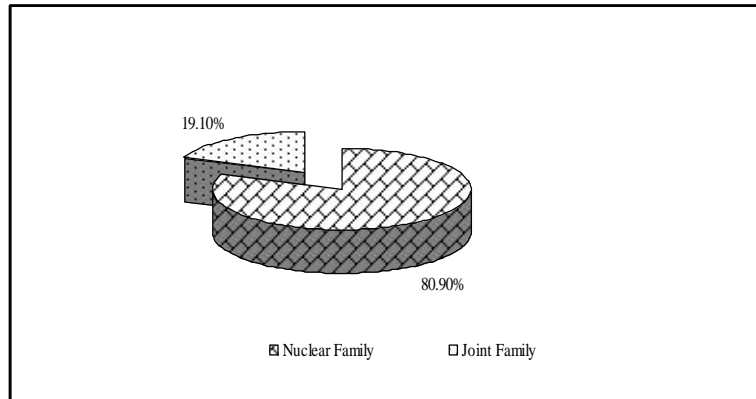


Source: Unnayan Onneshan field Survey, 2012

² This pattern has been found in innumerable household surveys spanning Asia, Africa and Latin America; for surveys see Visaria (1980, section 4), Sundrum (1990, chapter 2). and Lipton and Ravallion (1994, section 4.2).

Types of Family of the Respondents: Types of family represents one of the important social characteristics of the respondents. The traditional joint family system is now breaking down to nuclear family system due to the rapid socio-economic transformation, poverty etc. Among the study respondents, 80.9 percent respondents are living in a nuclear family whereas 19.1 percent are living in a joint family (Figure 6).

Figure 6: Family composition of the respondents



Source: Unnayan Onneshan Field Survey, 2012

3.2 Educational Backdrops of the Respondents

Purposeful education enables the individuals to understand and to study the real life situation as well as to develop an opportunity for creating confidence within younger generation along with providing a strong value oriented base for rational and nation-building progress (Myers and Harbison, 1965; Mingat and Tan, 1986). In this section of the study, educational status of the respondents is broadly explained (Table 1). More than half of the respondents of the study (53.3 percent) have no education. On the other hand, 21.9 percent and 23.8 percent of the respondents have completed class I-IV and class V-IX respectively. Only one percent of the respondents have completed SSC and above. This is an indication that most of the poor respondents in the urban area are illiterate or have lower educational status having engaged in informal sectors for earning. While considering the educational status of the children of the respondents, 27.6 percent of them are found not to go to school due to poverty. They believe that if their children would engage in income generating activities, it might be quite helpful for maintaining their family. Poverty has significant positive impact on the probability that a child is engaged in paid employment. On the other hand, from the school going parts, most of them are going to the government school (21.0 percent) followed by NGO, private and other types of school (Table 1).

Table 1: Educational status of the respondents

| Variables | Frequency | Percent |
|---|-----------|---------|
| Educational Status of the Respondent | | |
| No education | 56 | 53.3 |
| Completed class I-IV | 23 | 21.9 |
| Completed class V-IX | 25 | 23.8 |
| Completed class SSC+ | 1 | 1.0 |
| Each and every children goes to school | | |
| Yes | 36 | 34.3 |
| No | 29 | 27.6 |
| Not applicable | 40 | 38.1 |
| Types of School | | |
| Government school | 22 | 21.0 |
| Private school | 3 | 2.9 |
| NGO school | 10 | 9.5 |
| Others | 1 | 1.0 |
| Not applicable | 69 | 65.7 |

Source: Unnayan Onneshan Field Survey, 2012

3.3 Economic Characteristics of the Respondents

The economic characteristics are generally related to income, expenditure, savings and occupation of the respondents. Considering household income, 43.8 percent income of the respondents' household is BDT 5001-10000 followed by 40.0 percent whose income BDT 10001 and above. Furthermore, 4.8 percent respondents' monthly household income is BDT 4001-5000 and 11.4 percent have their monthly household income of less than BDT 4000 and the average monthly household income of the respondents is BDT 9935. On the other hand, majority of the respondents' (55.2 percent) monthly household expenditure is BDT 5001-10000 while, 27.6 percent, 4.8 percent and 12.4 percent have their monthly household income BDT 10001 and above, BDT 4000-5000 and less than BDT 4000 respectively. Additionally, their average monthly household expenditure is BDT 8866 (Table 2).

Table 2: Economic profile of the respondents

| Variables | Frequency | Percent |
|--|-----------|-------------|
| Monthly household income (in BDT) | | |
| Less than 4000 | 12 | 11.4 |
| 4000-5000 | 5 | 4.8 |
| 5001-10000 | 46 | 43.8 |
| 10000+ | 42 | 40.0 |
| Average Income (in BDT) | | 9935 |
| Monthly household expenditure (in BDT) | | |
| Less than 4000 | 13 | 12.4 |
| 4000-5000 | 5 | 4.8 |
| 5001-10000 | 58 | 55.2 |
| 10000+ | 29 | 27.6 |
| Average expenditure (in BDT) | | 8866 |
| Do you have savings? | | |
| Yes | 35 | 33.3 |
| No | 70 | 66.7 |
| Average monthly savings | | 931 |
| Number of earning | | |

| | | |
|---|----|------------|
| members | | |
| 1 | 51 | 48.6 |
| 2 + | 54 | 51.4 |
| Average number of earning member | | 1.6 |
| Have you received any loan? | | |
| Yes | 38 | 36.2 |
| No | 67 | 63.8 |
| Sources of loans | | |
| NGO | 23 | 21.9 |
| Bank | 5 | 4.8 |
| Land lord | 2 | 1.9 |
| Co-operative society | 8 | 7.6 |
| Not applicable | 67 | 63.8 |

Source: Unnayan Onneshan Field Survey, 2012

However, it is difficult to bear the expenditure as the monthly income and expenditure of the respondents' households are almost equal due to the increasing prices of all commodities. Again, a tendency of saving is there from some households and it is found that 33.3 percent respondents' households have their monthly saving. The average monthly savings of the respondents is BDT 931. Engaging more household members into the workforce is the main survival strategy of the urban poor. The average earning member of the household is 1.6. Furthermore, it is found that more than half of the respondents' households (51.4 percent) have two and more earning members whereas 48.6 percent have only one earning member. In case of loan, 36.2 percent respondents have received loan during the last one year especially from different NGOs (ASA, BRAC), bank (Grameen Bank) and co-operative society (Table 2).

Occupation of the Respondents: The urban poor are mostly employed in self-managed jobs (low paid) in the informal sectors like rickshaw pulling, street selling and vending, construction work, driving and transport etc. Majority of the respondents (31.4 percent) are doing street business/vendor whereas 16.2 percent are engaged in day labour. Most of the female respondents are maid servant (18.1 percent), 9.5 percent are rickshaw/van puller and the same result is found for those who are engaged themselves in construction work followed by other categories (Table 3).

Table 3: Occupation of the respondents

| Occupation | Frequency | Percent |
|------------------------|-----------|---------|
| Rickshaw/van puller | 10 | 9.5 |
| Maid servant | 19 | 18.1 |
| Street business/vendor | 33 | 31.4 |
| Day labour | 17 | 16.2 |
| Construction worker | 10 | 9.5 |
| Garments worker | 7 | 6.7 |
| Driver | 3 | 2.9 |
| Begging | 6 | 5.7 |

Source: Unnayan Onneshan Field Survey, 2012

3.4 Household Characteristics of the Respondents

Household characteristic is an important component not only in poverty analysis but also in livelihood analysis as well. Majority of the respondents' (49.5 percent) are living in houses made of tin and 37.2 percent respondents are living in a house made of fence. Most of the respondents (94.3 percent) are living in one room with their other family members. More specifically, 37.1 percent respondents are living in one room with 5 and

above members and 40.9 percent are living in one room with 3-4 members. Only 22.0 percent are living with 1-2 members in one room (Table 4).

Table 4 Household characteristics of the respondents

| Variables | Frequency | Percent |
|--|-----------|-------------|
| Condition of house | | |
| Fence | 39 | 37.2 |
| Tin | 52 | 49.5 |
| Others | 14 | 13.3 |
| Number of room | | |
| No room | 2 | 1.9 |
| 1 | 99 | 94.3 |
| 2 | 4 | 3.8 |
| Number of person in a room | | |
| 1-2 | 23 | 22.0 |
| 3-4 | 43 | 40.9 |
| 5+ | 39 | 37.1 |
| Average house rent (in BDT) | | 1026 |
| Source of drinking water | | |
| Supply and tube-well | 102 | 97.1 |
| Others | 3 | 2.9 |
| Do you have sanitary latrine? | | |
| Yes | 19 | 18.1 |
| No | 86 | 81.9 |
| Condition of latrine | | |
| Sanitary | 19 | 18.1 |
| Hanging | 63 | 60.0 |
| Half-pucca | 10 | 9.5 |
| Others | 13 | 12.3 |
| Monthly average expenditure for firewood (in BDT) | | 815 |

Source: Unnayan Onneshan Field Survey, 2012

The average members for per room are 4. This is really unfavourable to a sound health status of a population. However, 30.5 percent respondents have their own house (room) and the remaining is living in the rent houses. The average monthly expenditure per room of the respondents is BDT 1026. Almost all the respondents (97.1 percent) are using supply water as wells as tube-well water for their drinking and daily uses very often. More than eight of every ten respondents have no sanitary latrine. Additionally, six of every ten respondents are using hanging latrine and only 18.1 percent has sanitary latrine (Table 4). It is also relevant that all the respondents are collecting firewood and straw for cooking due to disconnection of gas supply. These results indicate that the poor in the urban area are leading a poorer life in terms of household characteristics.

3.5 Health Status of the Respondents

Self-perceived health status may be better indicator of potential service have been used than that of actual health condition (Fillenbaum, 1984). To assess the health status of the respondents a question has been asked, “What is your current health status?” The answer was recorded on a three-point scale: Healthy; Fairly Healthy; and Unhealthy. However, 50.5 percent respondents are found fairly healthy whereas a significant number (42.9 percent) are found unhealthy. Only 6.7 percent respondents are healthy. Majority of the respondents (45.7 percent) are suffering from fever/cough followed by gastric (19.0 percent), migraine/headache (11.4 percent) and in other diseases (Table 5). The urban poor have very limited access to the existing health care facilities. Only 38.1 percent is

using services from government hospital whereas 47.6 percent respondents is taking treatment from pharmacies without the consultation of trained physicians. The major reasons for not using government hospitals are by the urban poor are less attention from physicians, keeping the patients long waiting, lack of medicine in the hospitals, high fees and charges as well as far travelling etc.

Table 5: Health status of the respondents

| Variables | Frequency | Percent |
|---|-----------|---------|
| Health status of the respondents | | |
| Healthy | 7 | 6.7 |
| Unhealthy | 45 | 42.9 |
| Fairly healthy | 53 | 50.5 |
| Type of illness | | |
| Fever/cough | 48 | 45.7 |
| Gastric | 20 | 19.0 |
| Migraine/headache | 12 | 11.4 |
| Asthma | 7 | 6.7 |
| Back pain | 8 | 7.6 |
| Blood pressure | 2 | 1.9 |
| Heart disease | 5 | 4.8 |
| Eye problem | 3 | 2.9 |
| Source of treatment | | |
| Government hospital | 40 | 38.1 |
| Private clinic | 5 | 4.8 |
| Pharmacy | 50 | 47.6 |
| Kabiraj | 5 | 4.8 |
| Others | 5 | 4.8 |

Source: Unnayan Onneshan Field Survey, 2012

3.6 Other Characteristics of the Respondents

Urban poor are facing a lot of complexities to survive. They have also been facing a number of shocks like chronic illness (19.0 percent), robbery (14.3 percent), extortionist (11.4 percent) of households etc. which are the most prominent during the last one year. Among the total respondents, 42.9 percent has been abused physically (17.3 percent) and mentally (29.0 percent) during last one year. Majority of the abused (16.2 percent) has been occurred by other family members (husband, relatives etc.) followed by the police (14.7 percent) and extortionists (11.3 percent). The respondents (22.9 percent) have also paid extortion (bribe) to police (17.6 percent), terrorist (8.7 percent), area leader (8.2 percent) for different reasons like maintaining illegal stall in foot path, using wrong way of rickshaw/van drive, quarrels etc.

4 CONCLUSION

Livelihood strategies are chosen and undertaken as well by the people in order to achieve their livelihood goals. Results from this study indicate that the urban poor (mostly migrated from different rural areas) are facing difficulty in order to maintain their livelihoods. However, the overall poverty situation in the country has improved over the years although the situation of Dhaka city has become worse in terms of both upper and lower poverty lines through the accelerating rate of rural–urban migration of the rural poor. While mass unemployment has been caused by the industrial restructuring, slow

expansion in the private sector failed to absorb the unemployed as well as to increase the labour force. In fact, the poor migrants have to be involved in low-paid activities to support their livelihoods as they are excluded from the formal sectors of the economy through lack of education, skills and employment training. Without access to these jobs, the only thing left for migrants is hard, dangerous and dirty physical labour and intensive work as the study have showed.

The lives and livelihood of the urban poor people are mostly twisted by the policies on employment, housing and land use, and services of the urban government. The interests of the urban poor are neglected in the urban polices and planning often as they remain politically marginalised and excluded from city politics. Therefore, the urban poverty needs to be understood in relation to the urban government and urban polices. Several new social security systems had been established. No doubt is there that these new social support systems and policies had played a very positive role in reducing the scale and extent of poverty in cities. Without revising and redrawing creative policies and programmes, the lives and livelihood of the urban poor will remain vulnerable as well as the reduction of poverty will remain a distant dream. Thus, the result of this study should be scientifically utilized in formulating policies and programmes that can be used for improving and fostering sustainable livelihoods of the poor people in urban areas especially, in Dhaka city.

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Appendix - A

Sobiron Bibi is a woman of 45, has been working as a cook in a house. Sobiron earns BDT 2,000 per month from this work. Sobiron lives with her husband in Gulbagh slum, Malibag and they have five children. Sobiron's husband is a rickshaw puller. Sobiron is the mother of one son and four daughters. The eldest daughter had been married to a small entrepreneur in Mymensingh. Her three younger daughters are 10, 8 and 5 years old respectively. Her son is twenty years old and working as a provisional worker in a computer compose and printing shop. From there, he gets BDT 1500 per month. Sobiron's husband is not physically fit as his tumour operation has been done only a few days ago. That is why, he cannot pull rickshaw for the whole day now. Therefore, his net income is only BDT 200-250 per day. All household members are living in a room. Their house rent is BDT 3000 per month for a room. Sobiron Bibi has been suffering from severe headache for a long time and cannot visit to a good physician due to the huge expense. Sobiron stops the formal school of her three younger children due to poverty. At the time of interview, it was observed that Sobiron's eight years old daughter had sat for lunch, the menu was rice (panta vat) and mass of potato. She doesn't know about the balanced diet. She stated – 'we had tried to eat three times a day but we can not manage. Here, (Dhaka city) we have come to lead a better life but so far we are fighting to manage our food in three times in a day!'



Decelerated Decline

State of Poverty in Bangladesh
2012