

Understanding Urban Livelihood Trajectories in Bangladesh

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Understanding Urban Livelihoods Trajectories in Bangladesh: Summary of Round 1 Research Report



Mahafuza Begum, mother of a daughter running her small business with a block grant supported under ILUEP program who lives with her husband in Jahanabad Squatter in Mirpur-1, Dhaka, Bangladesh.

This study has been commissioned by Concern Worldwide Bangladesh, to understand the livelihood conditions at baseline of households selected for the Irish Aid-funded programme 'Improving the Lives of the Urban Extreme Poor' (ILUEP) 2017 - 2021. The programme aims to move 9,000 pavement dweller, squatter and undeveloped slum dweller households – over 30,000 direct beneficiaries – in Dhaka and Chattogram out of extreme poverty. ILUEP will deliver a comprehensive range of interventions including asset transfers, training, savings facilities, nutrition support, gender equality and prevention of gender-based violence, improved WASH facilities and promotion of improved hygiene practices, advocacy for improved service delivery, and support to a number of Pavement Dweller Centres.

The main purposes of this research are to explore and understand how and why different households covered by this study follow different livelihood trajectories, during and after their participation in the ILUEP, as well as looking at the impacts of policy. Following this baseline study, subsequent rounds of qualitative research will establish whether the livelihoods of ILUEP participants did actually improve due to the package of interventions provided by Concern and its partners, and will identify additional support that could improve the prospects for sustainable movements out of extreme poverty for ILUEP participants.

For the purpose of the study, a panel of 36 pavement dwellers, squatters and undeveloped slum dwellers who are participants in the ILUEP programme in Dhaka and Chattogram will be tracked over three years. This is not a quantitative impact evaluation but an indicative study using qualitative methods: mainly repeated in-depth interviews with each case study household. Three rounds of data collection will be undertaken with the same 36 ILUEP

participants, in early 2019, early 2020 and early 2021. This allows for interviews after they are enrolled on the programme, immediately after they have received one year of programme support and a final interview after they have received two years of programme support. In addition, several key informant interviews will be undertaken with relevant stakeholders.

This report highlights the research findings of the first round of study, based on data collected in early 2019. It provides information on the following areas – material conditions of poverty (income, cash needs, savings, borrowing, urban livelihood challenges), social conditions of vulnerability (social capital), and government and NGO services. But first, we provide some overview information on urbanisation and the urban poverty policy context in Bangladesh.

Context

Rapid urbanisation has taken place in Bangladesh, and urban populations have increased significantly due to rural-urban migration. The unplanned expansion of urban areas forced a large number of the populace to live in slums, with slum-dwellers, squatters and pavement dwellers living in an extremely vulnerable position. They are living on government-owned land in poorly built houses where they have to pay up to twice the amount tenants pay for decent housing in areas such as Dhanmondi to local influential people. They are living with food insecurity where the state of nutrition (for children under 5) is the worst and they have limited access to health facilities. Most importantly, the government's policies, acts and actors often do not recognise the urban poor, and pay limited (if any) attention to support them. The urban poor living in the slums, on the pavements and squatting have remained largely invisible and in most cases, government institutions simply refuse to provide them with any services, on the assumption that access to services will encourage further rural-urban migration.

To date, the government has not developed any policies for the urban sector. Even though recent policy and planning documents like the 7th Five Year Plan and the National Social Security Strategy acknowledge the problem of urban poverty and express a commitment to address this, government institutions have not focused on developing implementation mechanisms in line with this recognition. Clearly, the current conditions of the urban poor should be considered and analysed within this policy vacuum and context of a lack of political commitment. This study will show how programme participants (at baseline) have managed to navigate their livelihoods without any policy support, and will allow us to explore whether the capacity of these participants increases to negotiate and bargain with policy actors over the lifetime of the ILUEP, positively affecting their livelihood trajectory.

Findings – Material Conditions of Poverty

We have found that almost all our respondents are working. Most work for themselves (that is, they are self-employed), though some have family support and a few work for an employer. The self-employed have low and irregular incomes. Men generally have access to more diverse and more lucrative employment opportunities than women. We have also observed that the livelihoods of the urban poor are vulnerable to disruption and predation by people with power over them, from unscrupulous landlords to the police.

In terms of income we have found that respondents in Chattogram worked for 5.5 days a week on average, whereas respondents in Dhaka had fewer days of paid work, at 4.4 days per week. Income earned by respondents in Chattogram ranged from 65 to 650 taka/day (0.7 to 6.8 Euro), with an average of 286 taka/day (3 Euro). In comparison, average income was 272 taka/day (2.8 Euro) in Dhaka and ranged from 180 to 450 taka/day (1.9 to 4.7 Euro). Although the range of daily earnings is wider in Chattogram, the average is almost the same across the

two cities. Monthly income earned by respondents in Dhaka is however much lower than in Chattogram, because respondents in Dhaka work for fewer days each month. Monthly earnings in the Dhaka sample range from 2,000 taka (21 Euro) to 11,700 taka (122 Euro), with the average being 4,671 taka (49 Euro). This is one-third (34%) less than average monthly earnings per respondent in Chattogram. Not surprisingly, male respondents earn more income, on average, than women. What is surprising is the scale of the gender difference in incomes. At 7,850 taka per month, men in our sample earn more than twice the average income of 3,446 taka earned by women. Across our three categories of households, squatters earn the most and pavement dwellers earn the least, with slum dwellers in between. This gap in earnings is less than that between male and female respondents.

When we tried to identify the priority needs for cash among our respondents, food for daily subsistence was mentioned by almost all respondents in Dhaka and Chattogram as one of the most urgent needs for cash that they face. Food is followed by health care or medicine, grocery items, then working capital for business activities, family support, clothes, rent for housing, children's education, and loan repayment. When respondents were asked to estimate how much extra cash they need to meet their household's basic needs in a normal month, and not to have to borrow or ask others for help, in Chattogram answers ranged from zero to 5,000 taka. In Dhaka, even though some respondents also stated that they would not require any extra cash, others mentioned shortfalls between 300 and 1,500 taka.

Saving tendency is higher in Dhaka where almost half the respondents reported to have saved money through utilising different formal and semi-formal institutions. In Chattogram, however, only one-sixth of the respondents reported having any savings. The difference in saving tendency, however, did not result into any difference in terms of influencing the necessity to borrow money. In both Dhaka and Chattogram, more than half of the respondents reported that they had to borrow cash. However, in almost all cases, they have borrowed from people they know and did not have to pay any interest. The most common reason for borrowing is subsistence (food) and health care, whereas several respondents also borrowed money to invest in their business activities.

Our study shows that at baseline, respondents face many challenges to making a living. Some of these relate to personal characteristics (lack of education, poverty, or ill-health), some relate to the challenges of running a small business (lack of working capital, too much competition, fines), others refer to the hazardous nature of the work they do. Several respondents mentioned that other people interfere in their ability to make a living. Constant harassment by the police, evictions and the need to pay bribes is the most common set of problems mentioned in both Dhaka and Chattogram. Women are also exposed to sexual harassment. Nonetheless, most respondents concluded that it is easier to make a living now than before, and most prefer to be self-employed, despite the challenges they face.

Even though the respondents talk about the challenges and difficulties they face while working in the urban areas, almost all of them favour staying in the cities instead of going back to the rural areas. Most of our respondents have migrated from different rural areas and in most cases, they have retained contact with their relatives living in the rural areas. However, since employment opportunities are severely limited in the rural areas, they are willing to stay in the cities while acknowledging that sometimes 'surviving' is easier in the rural areas.

Findings – Government and NGO Services

Our study shows that there are several reasons behind making survival challenging in the urban areas, and one of these is limited access of the respondents to the institutions that may support their livelihoods and livelihood strategies. In general, government actors and

institutions do not recognise the urban poor, consider them 'invisible' and hence are not necessarily interested in supporting them. Our study findings confirm this. Our respondents have limited and often unsatisfactory interactions with the service delivery institutions run by the government. They do however have irregular interaction with the law enforcement agencies, which negatively affect their livelihood. More positively, they interact with the institutions that provide employment opportunities and this interaction is typically considered as useful and helpful. Moreover, for psychological support, they interact with some social institutions like Samity and Mosques.

This lack of access to different institutions clearly indicates that the government and non-government support systems are rarely serving the priorities of the urban poor. Most of our respondents in both Dhaka and Chattogram have never heard of any government programmes that provide support to poor people and others who have heard about government support have not benefited directly. In fact, many of our respondents are quite cynical about its commitment to supporting poor people. Whereas there are 145 social safety net programmes run by the government, our respondents have only heard of three – elderly allowance, disability allowance and Open Market Sales. Of these three, the most familiar and often used one is Open Market Sales (OMS), a public food distribution programme which sells basic food items at subsidised prices. Many squatters, pavement dwellers and undeveloped slum dwellers in Dhaka and Chattogram benefit from OMS, even though they are not satisfied with the quality of food products provided. As for the other two programmes (elderly and disability allowances), some respondents have heard about these and think that they are entitled to claim these benefits, but they have no idea how to apply. NGOs play a very limited role in helping them to gain access to the social safety net programmes. Even though the roles and activities of the NGOs in the study areas have increased significantly over the years, they are still not playing an adequate role in affecting their lives and livelihoods.

The fact that government services are not reaching them or safety net programmes are not supporting them does not necessarily mean that the urban poor do not need support from government. When asked if there is anything the government can do to help poor people and make their life easier, some respondents asked for any assistance government could provide. However, most responses in Dhaka and Chattogram fall into two clusters: decent and secure housing, and business support. This reveals the importance to squatters, pavement and undeveloped slum dwellers of access to adequate housing, as well as to opportunities to earn a viable livelihood. Other responses referred to services, especially water and sanitation, health, and education.

Findings – Social Conditions of Vulnerability

Given that the respondents need outside support to survive and they are not receiving it from the government and non-government sectors, the question is – do they have adequate social capital to draw this support from? We have found that in general, the respondents have acquired limited social capital to draw support from and their support system revolved around their relatives and neighbours. In fact, when we want to know about the sources and types of informal support available to our respondents by asking: "When you feel most vulnerable who do you go to?" a clear sequence emerged: family first, then friends, then colleagues or employers. Important to note is that the most crucial function of social capital is to ensure monetary support in time of need and in most cases, our respondents have relied on social capital to meet health care and treatment costs. Social capital has a strong reciprocal value and support is often provided with the expectation that it will be reciprocated later (when needed). Of three different types of respondents, pavement dwellers are the most vulnerable as most have no social capital to draw on.

Discussion so far indicates that access to health care services remains a key challenge for the urban poor and this has remained one of their major reasons of expected and unexpected expenditures, negatively affecting their overall livelihood strategies. In fact, sickness is a constant factor in poor families and the direct and indirect costs of illness are known to be a major factor that both causes poverty and traps people in poverty. In the absence of access to health insurance, poor people facing a health shock often turn to informal providers of financial assistance, in other words, drawing on their social capital. But one of the characteristics of poverty and vulnerability that emerges from this baseline study is that social capital is limited in both availability and effectiveness, especially for pavement dwellers but also for squatters and undeveloped slum dwellers, in Dhaka and Chattogram.

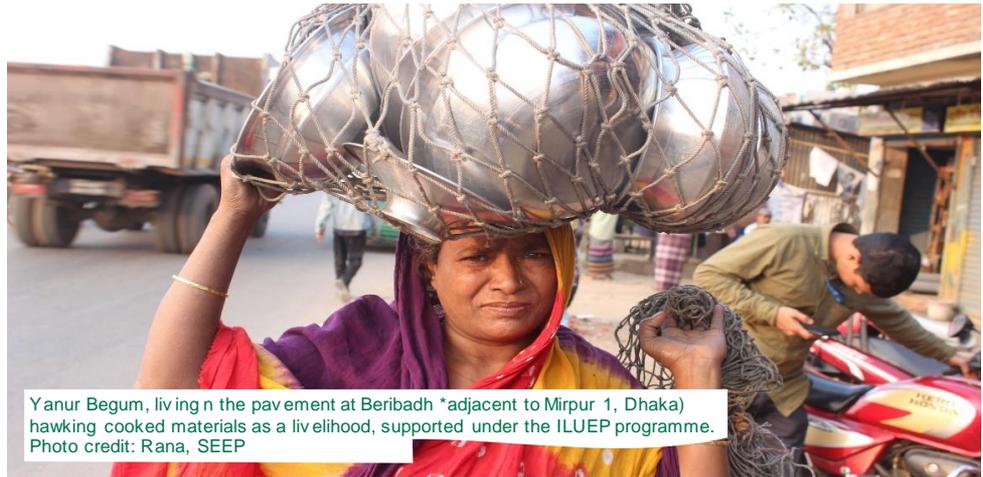
Recommendations for Ensuring Access to Government Social Safety Net Services

Our study findings indicate that even though there are 145 social safety net programmes in Bangladesh, run by 23 ministries, most of these programmes do not address the concerns and needs of the urban poor and fail to support them. However, the government has acknowledged and realised its lack of focus in addressing the needs of the urban poor and as a result, over the years, has suggested different plans to support them. The National Social Security Strategy, developed in 2015, acknowledged the limitation of the government's efforts and argued that since in future social security strategy would be implemented through following a life-cycle approach, reaching the poorest, regardless of their geographic location (and rural/urban divide). Four years after the NSSS was adopted, our study findings indicate that the new programme design is yet to achieve this.

We have seen that our respondents living in Dhaka and Chattogram are aware of only three programmes – Open Market Sales (OMS), Elderly Allowance and Disability Allowance – and only one (OMS) is familiar to them. However, they are not satisfied about the quality of products received through that programme. On the other hand, very few respondents heard about the elderly allowance programme and even though they considered themselves eligible for the programme (without having any knowledge about eligibility criteria), they had no idea how to apply for it and how to get enrolled. We have found one respondent in Chattogram who heard about the disability allowance.

If we consider our study findings, it is possible to draw the following conclusions.

1. Most of our respondents had no idea about their rights as citizens to social safety net programmes and they did not even know about most of the programmes;
2. They also had very limited, if any, idea about the eligibility criteria and they did not know or understand whether they are eligible for these programmes;
3. They also did not know how they can gain access to these programmes, i.e. they had no idea about where to go, who to meet and what to do in order to apply and get selected to these programmes;
4. Whereas government agencies and ministries are developing a National Household Database based on which beneficiaries for the safety net programmes would be selected, up to this point in time, very limited efforts have been taken to include or incorporate the urban poor (living as squatters, pavement dwellers or slum-dwellers) within the database. This is an alarming trend as exclusion may bar the urban poor from accessing social safety net programmes in the future;
5. Importantly, the government institutions are not necessarily interested in raising awareness of the urban poor about their rights or incorporating them within the system;
6. The NGOs and other non-state actors are still not playing an adequate role in linking the urban poor with the government services.



Yanur Begum, living on the pavement at Beribadh *adjacent to Mirpur 1, Dhaka) hawking cooked materials as a livelihood, supported under the ILUEP programme. Photo credit: Rana, SEEP

In other words, our discussion and study findings show that to ensure access of the urban poor both demand and supply-side interventions are necessary.

On the demand side, the following actions can be taken:

- Raise awareness of the urban poor about their rights as citizens of the country regarding gaining access to social safety net programmes;
- Increase their knowledge and understanding about eligibility criteria, application process and link them with the appropriate government agencies;
- Emphasis on making sure that the urban poor are being included within the National Household Database.

On the supply side, efforts can be taken in the following areas:

- Sensitising the policymakers about the needs and challenges faced by the urban poor;
- Ensuring accountability of the policy and political actors about their responsibilities to support the urban poor under existing government laws, acts, policies and planning process;
- Ensure that the urban local government agencies are performing their roles as expected.

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For more information, please
contact: research@concern.net

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