

CHAPTER 1: A POVERTY PROFILE FOR DHAKA

I. Introduction

Dhaka's population is estimated at around 12 million, or about one third of Bangladesh's urban population. Its primacy is both a source of concern and opportunity.³ Concern, because the population growth creates significant urban management challenges in terms of provision of public services, local public goods and amenities. Opportunity, because the city provides new livelihood options for millions of migrants, translating into improvements in their living standards.

Dhaka is growing rapidly --between 1995 and 2000, the city grew at an average rate of 4.24 percent per year. Much of its growth stems from migration, with 46 percent of its 1991 population born outside the metro area. Rural to urban migration is attributed to extreme rural poverty and landlessness, and large urban-rural wage differentials (Ullah, 2004). Already strained to provide services and quality of life to existing urban residents, Dhaka is likely to face tremendous challenges in expanding existing infrastructure and avoiding deterioration of living standards due to congestion, pollution, and lack of basic services. These inadequate services and worsening environmental conditions disproportionately affect the poor, many of whom live in slums.

This chapter presents an overview of poverty in the Dhaka Metropolitan Area based on data from several sources: i) the 2000 round of the Household Income and Expenditure Survey (HIES), conducted by the Bangladesh Bureau of Statistics; ii) the 2002 Slum Observatory Survey carried out by Aparajeyo-Bangladesh (NGO); iii) 2005 spatial mapping data developed for this study and carried out by the Local Government Engineering Department (LGED); and iv) qualitative data on the perceptions of poverty carried out by Rashid and Mannan in 2004.

The HIES survey is a national survey which covered 7440 households in the 2000 round in the five divisions of Dhaka, Chittagong, Barishal, Rajshahi and Khulna. The sample is stratified into Statistical Metropolitan areas, Rural areas and Urban Municipalities. Seven hundred households in the survey are from the Dhaka Statistical Metropolitan Area (Dhaka SMA).

The slum survey carried out by Aparajeyo-Bangladesh is part of their 'Slum Observatory' project which runs an annual household survey in four different slums since 2002 (Table 1.1). The slums differ in age and type of settlement. The sample includes 1000 households, approximately 250 from each slum. The respondents were randomly selected between both users and non-users of Aparajeyo-Bangladesh services and measures were taken to ensure the inclusion of different occupational groups in the sample. The survey attempts to re-interview the same households in subsequent years.

³ Dhaka's primacy is considerably higher than other countries in the region. In the region, Mumbai accounts for 4.1 percent of the Indian urban population, and Karachi accounts from 21 percent of Pakistan's urban population.

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Where it is unable to relocate the original family, additional households are randomly selected.

Table 1.1: Slums Covered in the Aparajeyo Survey

Slum Name	Thana	Ward Number	Area
Bizly Mohalla	Mohammadpur	42	Mohammadpur
Bou Bazar	Hazaribagh	48	Dhanmondi
Shahid Nagar	Lalbagh	60	Azimpur
Sujat Nagar/Nazrul Mollah Bastee	Pallobi	06	Pallobi

The Poverty Mapping was carried out by LGED. The work developed spatially detailed composite GIS based digital maps of: i) facility locations (schools, health clinics, roads, public standpipes and public toilets); ii) slums in the DMA; and iii) a digital attribute dataset of the features. This drew on two data sources. The first was a physical survey carried out from September 2004-February 2005 to collect the location of each slum, boundary of slum, and attributes including year of establishment, land ownership, number of households, water source, sanitation, electricity, educational facilities in slum areas, and health facilities in slums. Locations were captured with GPS devices. The second data source was satellite image processing which involved geo-referencing the data, preparation of layered digital maps, and linking attribute data with the GIS database. This data set will also serve as a planning tool for DMA.

In-depth qualitative research was carried out by Rashid and Mannan in two slums in Dhaka, Beguntila and Moderbasti, and one in Chittagong (New Shaheed Lane), supported by DFID.⁴ The field work was carried out in 2003 including wealth ranking, 15 focus group discussions with men, women and children. Separate informal discussions were held with leaders, key informants and individuals in the community. An additional 10 case studies were carried out with individuals from the categories of less poor, more poor, and very poor.

While the multiplicity of data sources adds richness to the analysis, the sources are not directly compatible and thus it is not possible to use all the data sources for each subtopic of analysis. Also noteworthy, is the fact that this study did not explicitly covered pavement dwellers in the analysis as it would have required a specially designed survey. Further analysis is recommended on this subgroup among the poor.

II. Poverty and Inequality in Dhaka

Poverty estimates for Dhaka range depending on the methodology used. While measuring urban poverty presents a number of challenges given its multidimensionality, for the purposes of this study, we use a standard consumption expenditure measure as it is broadly accepted as an objective approach which can be used for a range of socio-economic variables.⁵

⁴ Rashid and Mannan, 2004.

⁵ See Coudel, Hentschel and Wodon, in World Bank, 2002, and Baker and Schuler, World Bank, 2004.

The poverty lines for Dhaka are those used in the 2000 HIES preliminary report issued by the Bangladesh Bureau of Statistics (BBS and the World Bank Poverty Assessment, 2002). They are calculated on the basis of the Cost of Basic Needs approach, representing basic needs food consumption for the lower poverty line, and both food and non-food consumption in the upper line.⁶ For the Dhaka Statistical Metropolitan Area, the lower poverty line (extreme) is (Taka) Tk. 649 and the upper poverty line is Tk. 893.

Based on this methodology, approximately 28 percent of Dhaka's population or 3.36 million people were classified as poor, and 12 percent as extremely poor in 2000. This estimate of the poverty head count index based on the HIES is conservative relative to estimates previously reported in the literature which places between 37 and 48 percent of Dhaka's population under the poverty line.⁷ An explanation for this is attributed to the difference in data sets and samples (Salmon, 2004). Estimates based on the Labor Force Survey (LFS) use income data rather than consumption (income data tends to under-represent household welfare), and cover an additional two thanas in the Dhaka SMA which are particularly poor. Regardless of which poverty estimate is used, the characteristics of the poor in Dhaka do not change.⁸

The incidence of poverty is substantially lower than the national headcount of 50 percent, rural areas (53 percent), as well as other main cities of Chittagong (46 percent) and Khulna (50 percent).⁹ The number of poor people is, however, higher in Dhaka than in other cities given its size.

Poverty incidence in Bangladesh decreased by 9 percent during the nineties, and an even higher amount, 14 percent, in the Dhaka Division. This encouraging trend, however, is dampened given that the number of poor people has stayed the same. The progress in reducing poverty was equal across urban and rural areas, though rural areas did better in reducing the depth and severity of poverty.

Inequality is higher in Dhaka than the country as a whole, and other cities. The Gini coefficient in Dhaka is 0.37, compared to 0.31 for the country, 0.29 for Chittagong and 0.35 for Khulna.¹⁰ This inequality is dramatic when comparing average household consumption which is 5 times higher for the richest quintile as compared to the poorest (Table 1.2).¹¹

⁶ The food requirement is based on 2122 kcal per day per person.

⁷ See for example, Khan and Siddique (2000). Islam, (2004) proposes Tk. 4500 (US\$2.50) per day as the poverty line, resulting in a head count of 40 percent.

⁸ See Salmon, 2004 for a profile of the poor based on the 2000 LFS.

⁹ See World Bank, 2002, Bangladesh Poverty Assessment

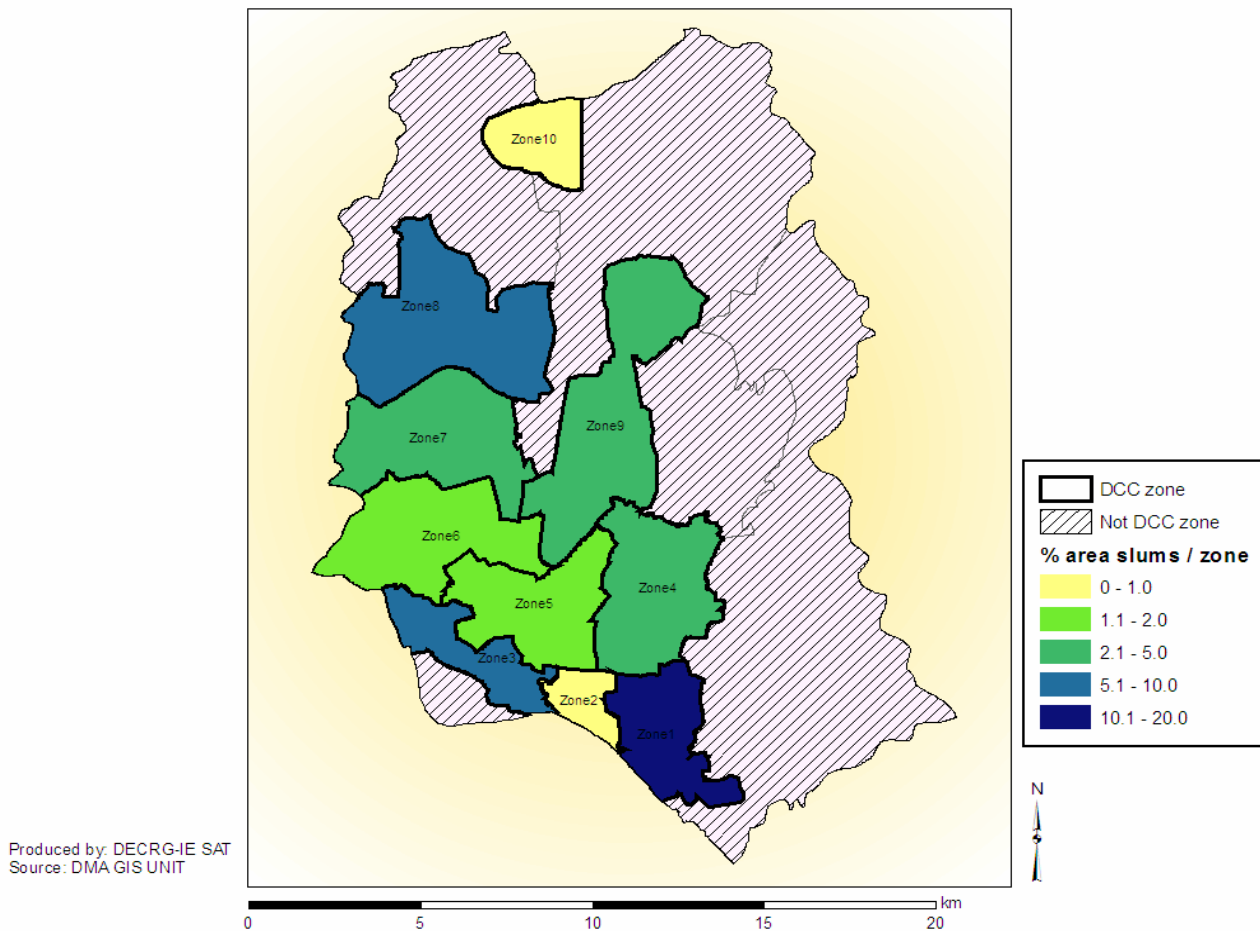
¹⁰ Kernel Density has been calculated using analytic population weights.

¹¹ Quintiles have been calculated for SMA Dhaka based on per capita household expenditure using household sampling weights. Household sampling weights have also been used in all survey estimations of means.

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Spatial analysis shows an estimated 1925 slums in the DCC area (Figure 1.1).¹² Slums are located all over the city, with Zone 1 having the highest proportion (11 percent slums of area), and Zones 2 and 10 having the lowest with less than 1 percent slums. Much of slum formation is taking place on privately owned land (79 percent), and 18 percent on government owned land (see Figure 1.2).¹³

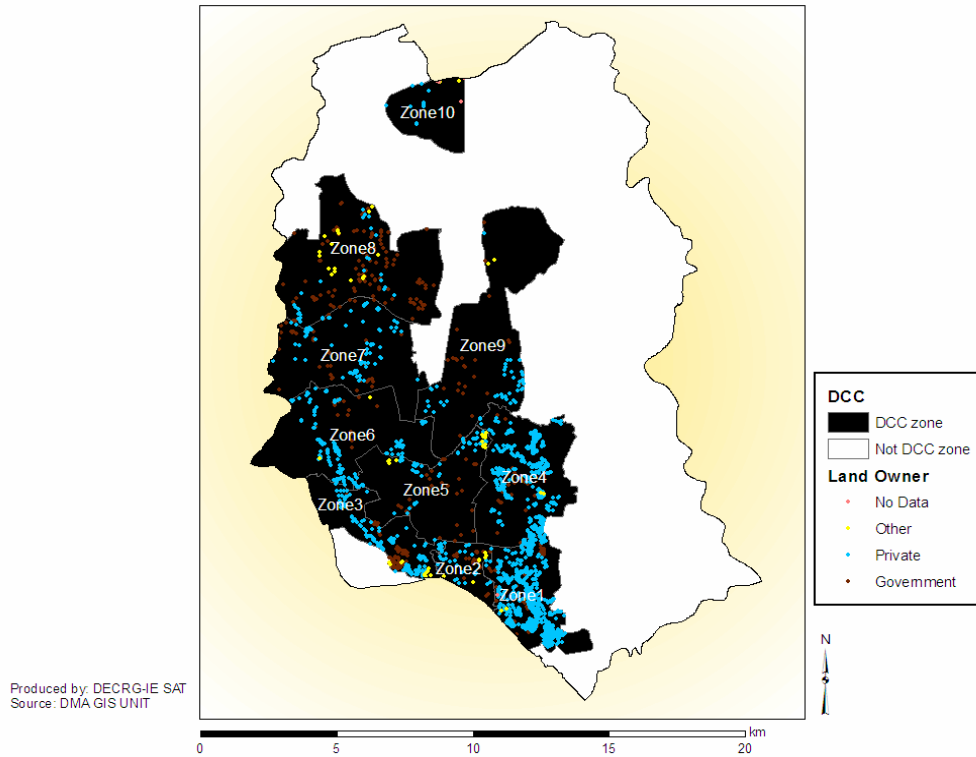
Figure 1.1: Slum Formation in the DCC Area, 2005



¹² The household count was estimated at 275,000 coming from the census of slum dwellers that was carried out by LGED as part of the slum mapping exercise. This is likely to be a lower bound estimate of the number of slum dwellers, and does not include the poor who live on sidewalks or do not have a regular shelter.

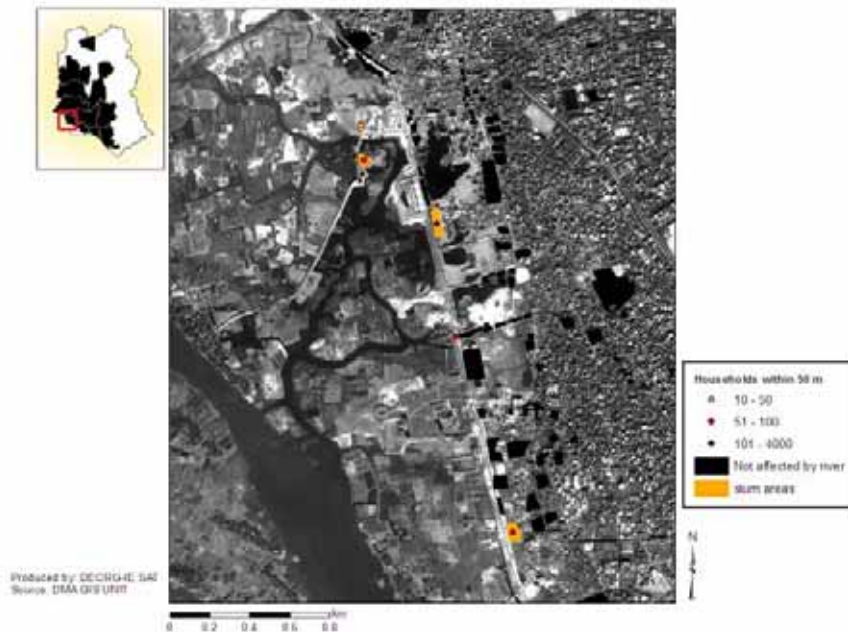
¹³ Source: LGED Spatial Slum Mapping, 2005. The remaining 3 percent are not labeled in the data set.

Figure 1.2: Slum Ownership, Dhaka, 2005



Many slums are located in low lying areas near the river and are prone to flooding. Approximately 7,600 households in 44 slums live within 50 meters of the river and are at risk of being flooded (see Figure 1.3).

Figure 1.3: Image of Flood Slums in Flood Zone, Dhaka



III. Characteristics of the poor

As would be expected, poor households tend to have more people, particularly children, than non-poor households. In the four slums of the slum observatory study, more than half of the household members are under the age of 19 (56 percent). The poor are substantially less educated, and have lower school attendance rates than the non-poor. Only 40 percent of household heads among the poor have achieved more than 5 years of schooling, and only 6 percent have had more than 10 years (HIES).

Table 1.2: Characteristics of the Poor in Dhaka.

	Quintiles				
	1=poorest	2	3	4	5=richest
Household Composition					
Mean HH size (No. of individuals)	5.50 (0.13)	4.99 (0.18)	4.84 (0.17)	4.86 (0.16)	4.53 (0.15)
Average number of rooms per household	1.24 (0.06)	1.52 (0.08)	1.76 (0.09)	2.35 (0.12)	3.40 (0.24)
Mean No. of children (< 15 yrs)	2.62 (0.10)	2.11 (0.09)	1.83 (0.08)	1.87 (0.09)	1.74 (0.08)
Mean No. of adults (15 to 64 yrs)	2.89 (0.12)	3.10 (0.14)	3.20 (0.13)	3.30 (0.12)	3.23 (0.12)
Mean No. of old (>64 yrs)	1.13 (0.08)	1.06 (0.06)	1.32 (0.10)	1.11 (0.06)	1.08 (0.05)
Mean Age of HH head (Years)	41.63 (1.05)	42.38 (0.81)	43.31 (1.11)	43.51 (1.11)	46.35 (1.22)
Per Capita Expenditure (in Tk.)	639 (9.68)	964 (9.09)	1366 (11.4)	1902 (21.49)	3923 (290.32)
Education level of HH Head (proportion of households)					
<= 5 yrs of schooling	0.61	0.41	0.33	0.18	0.09
> 10 years of schooling	0.00	0.09	0.14	0.38	0.62
Housing (Proportion of HHs)					
Walls:					
Brick/Cement	0.21	0.49	0.64	0.82	0.91
Hemp/Hay	0.44	0.19	0.09	0.04	0.02
Roof					
Cement	0.07	0.20	0.30	0.53	0.83
Hemp/Hay	0.04	0.02	0.01	0.00	0.00
Size of Housing (Sq. Ft.)	201.1 (29.71)	294.4 (29.70)	370.9 (30.2)	545.9 (43.0)	967.3 (80.9)
Service Access					
Sewerage line	0.09	0.21	0.24	0.40	0.47
Water					
Piped Supply	0.27	0.48	0.59	0.77	0.83
Tube wells	0.73	0.51	0.40	0.23	0.17
Electricity	0.88	0.91	0.96	100.0	100.0
Telephone	0.0	0.0	0.03	0.09	0.35

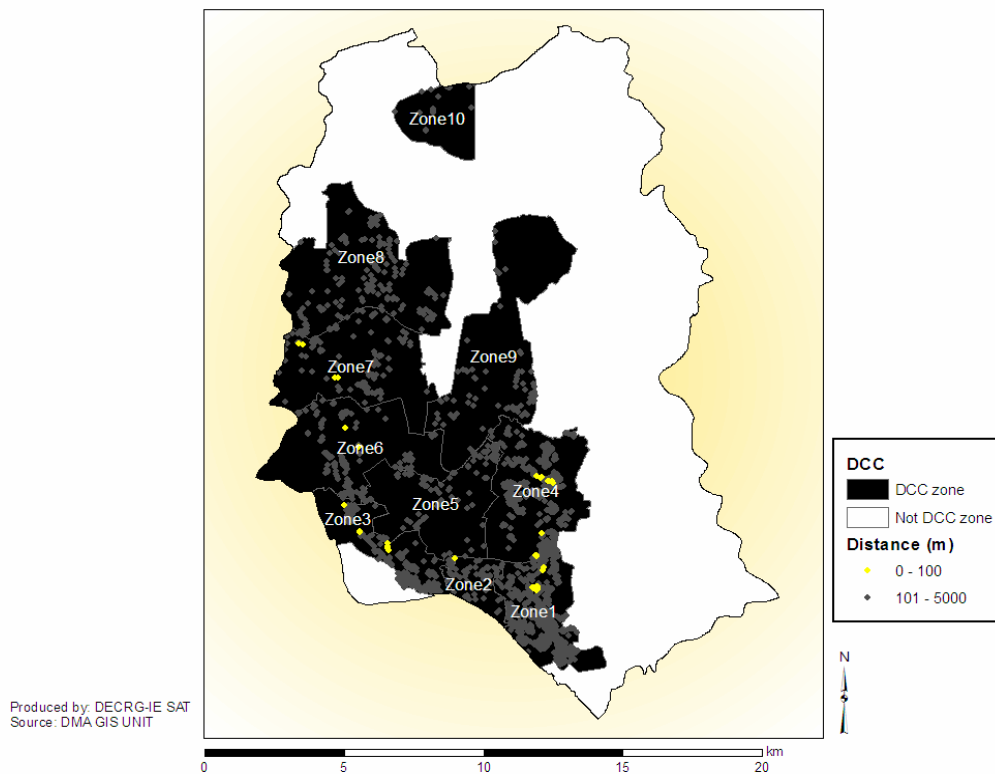
Source: HIES, 2000

The housing stock for the poor is of low quality with a majority living in houses built with temporary *kutcha* materials made of hemp or hay walls. Access to basic

services is a major problem for the poor as outlined below and discussed in depth in Chapter 4.

Infrastructure services. Basic infrastructure services are limited in poor areas of Dhaka with the exception of electricity. Seventy percent of households under the poverty line do not have access to piped water and use tube wells as their main water source. Ninety percent do not have access to a sewage line (Table 1.2). The spatial data on slums is consistent with the above, showing low access to services, though somewhat variable depending on the service, and zone (Table 1.3). For example, only 43 of the 1925 identified slums are within 100 meters of a public toilet (Figure 1.4). In fact, in Zones 2, 5, 8, 9, and 10, there are no public toilets within 100 meters of slum settlements. The largest slum, Korali Basti in Banani, with more than 12,000 households, does not have a single public toilet or health clinic. Problems of poor sanitation are made worse by the high population density in slums, which have considerable implications for transmission of communicable diseases and other negative externalities. The Slum Observatory data suggests that service delivery in slums located on government owned land is worse than in slums on privately owned land.¹⁴

Figure 1.4: Access to Public Toilets



¹⁴ For example, 87 percent of slum households on government owned land did not have a bathroom while the corresponding figure was only 49 percent for households in privately owned slum land.

Table 1.3: Distance to Public Services for Slum Dwellers (in meters)

ZONE	Number of Slums	Average Distance Public toilet	Average Distance Educational Institute	Average Distance Clinic
Zone1	616	650	912	749
Zone2	53	421	877	557
Zone3	264	781	571	1474
Zone4	450	590	202	993
Zone5	113	704	299	481
Zone6	141	602	408	731
Zone7	130	1085	202	650
Zone8	144	2481	268	792
Zone9	68	1221	323	654
Zone10	16	982	358	2281

Data Source: LGED Slum survey, 2005; Analysis by Lall.

Social Services. Accessing schools and health clinics is also limited for the poor. School enrollment for children in the poorest quintiles is 45 percent compared with 76 percent for ages 5-18. As with infrastructure services, the location of health and education facilities varies across zones. Only 7.3 percent of slums have a public health clinic, and 26 percent have a government school (LGED).

In the absence of public providers, NGO presence is strong - 20 percent of slums have a NGO operated clinic and 27 percent have a NGO operated school. In the Slum Observatory slums, 76 percent of those interviewed reported that the schools existing in their slum were run by NGOs. However, there was not much awareness among slum dwellers regarding other services being provided by NGOs – such as health, micro-credit or skill-training facilities.

Within slums, the use of health services varies across income groups. Only 19 percent of households with monthly incomes less than Tk. 2000 reported receiving treatment from modern clinics in the slum (Slum Observatory Survey). However, in case of the two higher income groups (Tk. 2000-5000/month and over Tk. 5000), about 30 percent of households report that they had used local health clinics. In terms of maternal health, a lower proportion of households in the lowest income category reported that expectant mothers had utilized the services of doctors during pregnancy. Further, while 84 percent of the households in the 5000+ income category knew about family planning measures, only 68 percent of households in the lowest income group had such information.

Household assets and spending. The poor spend the majority of their budget on food (62 percent). Other major expenditures are housing (14 percent), and other non-food items (14 percent) (Table 1.4). Spending patterns are quite different as compared to the non-poor who spend a much lower proportion of their household budget on food (32

percent), but a higher proportion on housing (24 percent), other non-food items (17 percent), transport (10 percent), and health and education (11 percent) (Table 1.5). Both household assets and savings appear to be minimal, though this does vary from household to household (Slum Observatory Survey).

Table 1.4: Percentage of Total (monthly) Household Expenditure in Takas for Dhaka SMA

Quintiles	Food	Transport	Clothing	Housing	Health and education	Other non-food
1=(poorest)	61.7 (1.106)	2.1 (0.243)	5.8 (0.251)	13.7 (1.085)	3.2 (0.387)	13.6 (0.549)
2	58.4 (1.198)	2.6 (0.275)	6.0 (0.257)	13.7 (1.083)	5.9 (0.585)	13.3 (0.663)
3	54.3 (1.290)	3.3 (0.306)	6.4 (0.306)	16.1 (1.305)	6.8 (0.708)	13.2 (0.666)
4	45.7 (1.300)	5.1 (0.476)	5.7 (0.308)	21.4 (1.114)	8.0 (0.739)	14.1 (0.646)
5=(richest)	32.4 (1.468)	10.2 (1.357)	4.7 (0.320)	24.3 (1.625)	11.4 (1.011)	17.1 (1.135)

Standard Errors in parentheses; Data Source: HIES Survey, 2000

IV. Perceptions of Poverty

Perceptions of poverty from the perspective of slum dwellers can be gleaned from a recent field study carried out by Rashid and Mannan in two slums in Dhaka City (Beguntilla and Moderbasti) and one in Chittagong (New Shaheed Lane).¹⁵ Beguntilla is a relatively new slum, established in 1999 and Moderbasti is older, established approximately 20 years ago. New Shaheed Lane is about 15 years old. The summary below provides some information on all three, but largely focuses on perceptions from the two Dhaka slums.

Poverty is perceived by slum dwellers as a shortfall in income, as well as a number of socio-cultural, political and economic factors as described below. The main indicator raised during focus groups was income, but was linked to an individual's power, position and networks, and occupation. During the household listing and wealth ranking, households were divided into 3 categories as described below. Being a leader or having a salaried job placed individuals in the highest category, while those with 'lower' jobs were ranked in the less well off categories.

1. 'Less' Poor characteristics:

- Have a secure income (e.g., landlords, secure labor- DCC/railway workers; government workers, permanent jobs, drivers of private companies, family members abroad sending money)

¹⁵Mannan, F and Rashid, SF (2004), The Heterogeneity of the Urban Poor: Political-Economy and Social Conditions in Urban Slums. University of Southampton, UK. Funded by DFID (project number: KAR Project R8028)

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- Eat three meals a day
- Less dependency on others
- Household with a high number of working members
- Belong to the socially respectable class – includes locally powerful individuals – mastaans, rich landlords
- More education compared to others
- Send children to school
- Good intra household relationship
- Fewer young children within the household
- Strong social capital – strong networks inside and outside the slum
- Political linkages – strong political links
- Are leaders of the slum/ respected by all
- Basic facilities in the household (water and sanitation, electricity, access to health services etc.)
- Some assets (better housing, T.V. radio, beds, furniture, valuable utensils, good cloths, some jewelry, poultry, etc.)

2. 'More' Poor include those who do not have secure income and wholly depend on their physical labor. If they cannot work they cannot eat. Characteristics include:

- Rickshaw/van pullers (not owners of rickshaws)
- Day laborers
- Self-employed - vendors.
- Insecure income (e.g., petty business, garment workers)
- Cannot have three meals a day
- Are more dependent on others
- Have a household with a less number of working members
- Belong to the socially less important class
- Have no or little education compared to others
- Cannot send children to school
- Tensions in intra household relationship
- More minor children within the household
- No social capital – poor networks inside and outside the slum
- No political linkages
- Less empowered section
- Not having basic facilities properly (water and sanitation, electricity, access to health services etc.)
- Fewer assets (poorer housing, no T.V., radio, beds, furniture, valuable utensils, good clothes, less jewelry etc.)

3. The 'Poorest' include those who do not have regular income and are extremely vulnerable. Characteristics include:

- Beggars, Widows, Elderly and the Disabled
- Female-headed households with small children without any male support
- No secure income (e.g. erratic employment, daily laborers, begging)

- Have one meal a day (if lucky)
- Are more dependent on others
- Have a household with number of unemployed members
- Belong to the socially less prestigious class
- Have no education compared to others
- Cannot send children to school
- Tension within intra household relationship/absence of male member and/or adult children
- More minor children within the household
- No social capital
- No political linkages
- Less empowered section
- Less access to basic facilities (water and sanitation, electricity, access to health services etc.)
- No assets or little assets (no land, housing)

Causes of Poverty. Perceptions of the causes of poverty varied between men and women. Both men and women attribute the main cause of poverty to low income. Men also stressed external factors, networking, lack of jobs, and low social prestige as the main causes of poverty. For women, the absence of male support was a main cause. Desertion was seen a major crisis for women not only because of the loss of income, but also the loss of social, cultural and physical protection. It is also generally thought to be higher than the data reflect. In the relatively anonymous environment of urban slums, marriage break-ups are difficult to stop as families and community relationships are not as strong as in rural areas.

Land and Housing. Security of tenure is mentioned as a high priority by the poor, particularly those living in the newer slum area (Beguntilla). They refer to the constant fear of eviction, extortion by mastaans, and the political connections required to acquire land. Those who are government workers, railway workers, and slum leaders appear to benefit from certain rights and entitlements. The majority of slum dwellers, however, do not have such connections and thus perceive having few if any rights to secure tenure.

Services. Residents in focus groups refer to the many hardships of living in slums. These stresses are enormous. For women, there are additional pressures due to cultural norms which affect where and how they can bath, use latrines, and find drinking water.

Accessing water can be very time consuming, physically demanding, and expensive. Water is typically purchased from private tube well owners and from those with access to legal and illegal connections. Rates can be as high as 15 times the official unit rate. It is not uncommon for it to take 2 hours to collect water (Feroz, Ahmed, 2004). With regard to latrines, there are long lines for the facilities which are dirty, badly maintained and lack privacy. The long waits lead to heated exchanges among residents, the lack of hygiene contributes to illness, and women face security risks if using the

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latrines at night. Electricity supply and collection of fees are reported to be controlled by local mastaans and can be very expensive for residents.

Employment. The employment conditions varied somewhat across slums. In Beguntala, located on the margins of the city, most slum residents work in the informal sector as rickshaw pullers or wage laborers. The slum is considered to be isolated from the main markets in Pollabi and Mirpur which heavily impacts on income earning opportunities. The slum is an estimated 20-30 minute walk from the nearest big market. In contrast, Moderbasti is more centrally located near to the railway station, main highway and waterway. A significant number of residents are employed in government jobs and more skilled labor which is attributed to the fact that the slum is much older and more established, and more centrally located. Residents spoke of choosing to live in this slum because of its prime location with leads to better job opportunities. Regardless of location, finding employment, particularly for informal jobs, is closely linked to social networks.

Common occupations for men that were mentioned include day laborers, vendors, vegetable gardeners, rickshaw pullers, bus conductors, drivers, garment factory workers, shop-keepers/assistants, and begging (for the poorest/disabled). Rickshaw pulling was the most popular because it requires no skills and is easily available. Income is estimated at Tk. 40-200 per day, depending on the number of hours worked and if the worker owns the rickshaw. The better paid jobs are perceived to be drivers (who can earn up to Tk. 5000-6000 per month), garment workers (particularly for men working as operators earning up to Tk. 3500 per month). For women, the perceived options were far more limited and included garment factory workers (Tk. 700-950 per month), domestic help (Tk.300-500 per month), vegetable vendors (Tk. 50 daily), and sweepers (Tk. 500-800 per month). Begging is reported to be a coping mechanism for abandoned women with children who can earn Tk. 250 per week.

The following chapters discuss the key issues for Dhaka's poor in more detail.