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Dhaka: Improving Living Conditions for the Urban Poor

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ABBREVIATIONS AND ACRONYMS

ACHR	Asian Coalition of Housing Rights	**MFA**	Multi-Fibre Arrangement
ADB	Asian Development Bank	**MLGRD**	Ministry of Local Government and Rural Development
BBS	Bangladesh Bureau of Statistics		
BELA	Bangladesh Environmental Lawyers Association	**NGO**	Non Government Organization
		NUK	*Nari Uddyog Kendra*
BLAST	Bangladesh Legal Aid and Services Trust	**PPP**	Purchasing Power Parity
BRAC	Bangladesh Rural Advancement Committee	**OECD**	Organization of Economic Cooperation and Development
CIRDAP	Centre on Integrated Rural Development for Asia and the Pacific	**RAB**	Rapid Action Batallion
		RAJUK	*Rajdhani Unnayan Kartripakkha*
COHRE	Centre for Housing Rights and Evictions	**RCA**	Revealed Comparative Advantage
CPTED	Crime Prevention Through Environmental Design	**RMG**	Readymade Garment
		SMA	Statistical Metropolitan Area
CUP	Coalition for the Urban Poor	**TK**	Taka
CUS	Centre for Urban Studies	**UNDP**	United Nations Development Programme
DCC	Dhaka City Corporation		
DESA	Dhaka Electricity Supply Authority	**UNFPA**	United Nations Family Planning Programme
DFID	Department for International Development		
DMA	Dhaka Metropolitan Area	**UNICEF**	United Children's Fund
DMDP	Dhaka Metropolitan Development Plan	**USSP**	Union for the Scientific Study of Population
DWASA	Dhaka Water and Sewerage Authority		
EBA	Everything But Arms	**WASA**	Water and Sewage Authority
EU	European Union	**WHO**	World Health Organization
FFE	Food for Education	**WTO**	World Trade Orgnanization
GDP	Gross Domestic Product		
GTAP	Global Trade Analysis Project		
HIES	Household Income and Expenditure Survey		
IDB	Inter-American Development Bank		
IFPRI	International Food Policy Research Institute		
ILO	International Labor Organization		
LAC	Latin America and Caribbean		
LFS	Labor Force Survey		
LGED	Local Government Engineering Department		

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EXECUTIVE SUMMARY

Introduction

Dhaka is the fastest growing mega-city in the world, with an estimated 300,000 to 400,000 new migrants, mostly poor, arriving to the city annually.[1] Its population is currently around 12 million and is projected to grow to 20 million in 2020, making it the world's third largest city. Most migrants come from rural areas in search of opportunities which can provide new livelihood options for millions, translating to improvements in living standards. Their contribution to Dhaka's economic growth is significant, as they provide much needed labor to manufacturing, services, and other sectors. This migration, however, also adds tremendous strain on an already crowded city with limited inhabitable land due to the city's topography, limited infrastructure, and a low level of public services.

The draw of Dhaka is no surprise – it is a dynamic city and has attracted substantial industrial investments, particularly in the Readymade Garment (RMG) industry, which has created demand for workers and services. The city is, however, increasingly characterized by large slums, poor housing, excessively high land prices, traffic congestion, water shortages, poor sanitation and drainage, irregular electric supply, unplanned construction, increasing air pollution and poor urban governance which results in growing problems of law and order.

The country does not have a comprehensive policy on urbanization and urban poverty. There are between 16 and 40 different bodies involved in one way or another in urban matters in Dhaka with little coordination and planning. As a result, there are major gaps in services and infrastructure ranging from weak electrical supply to inadequate land and housing options, and major traffic congestion. The poor are particularly affected as they do not have the resources to find alternatives for meeting their basic needs. While a new committee for Urban Development was set up and has achieved some progress in the coordination process, it focuses on solving day-to-day problems and not on medium to long term strategy.

This study reflects a comprehensive look at poverty in Dhaka with an aim to provide the basis for an urban poverty reduction strategy for the Government of Bangladesh, local authorities, donors, and NGOs. While the needs in Dhaka are enormous, this study focuses on analyzing those critical for the poor – understanding the characteristics and dynamics of poverty, issues of employment, land and housing, basic services, and crime and violence. This analysis will provide a platform for developing recommendations for policy reform as Dhaka endeavors to meet the growing challenges and urgent needs of the urban poor. Each chapter concludes with a set of recommended priorities for poverty reduction.

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[1] Bangladesh Bureau of Statistics.

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Poverty in Dhaka

As one travels through Dhaka, the pervasive poverty is evident, as is the inequality between rich and poor. Poverty affects roughly one in three residents. The average person in the wealthiest quintile consumes more than 5 times the consumption expenditure of the average person in the poorest quintile.

The poor mainly live in slums scattered throughout the city, with close to 80 percent of slums located on privately owned land creating considerable institutional challenges in terms of basic service provision.[2] Housing structures tend to be of poor quality, and access to basic infrastructure services is low. For the poorest quintile, only 9 percent of households have a sewage line, and 27 percent obtain water through piped supply (compared with 83 percent of the wealthiest). Spatial mapping shows that only 43 of the 1925 identified slums are within 100 meters of a public toilet. An estimated 7,600 households live in slums that are within 50 meters of the river and are in frequent risk of being flooded.

As would be expected, poor households tend to have more people, particularly children, than non-poor households. The poor are substantially less educated and have lower school attendance rates than the non-poor. Social services can be quite far for some slum dwellers exacerbating problems of access. Only seven percent of slums have a public health clinic and 26 percent have a government school.

Perceptions of poverty show a hierarchy among the poor linked to income, as well as an individual's occupation and power, position and networks. Residents in focus groups refer to the many hardships of living in slums and enormous stresses of everyday life.

Employment and the Poor

Dhaka's poor work in a range of sectors providing much needed labor to the city. Much of this employment is in the informal sector. Poor male workers are mainly employed as production workers (including rickshaw pullers and other transport workers) and trade workers (street vendors, retail trade, etc.). Half of the poor female workers are employed as domestic workers or garment workers. Wages are generally low, though domestic work appears to be the lowest pay.

The unemployment rate for the poor is almost double than that of the non-poor. Underemployment is an even broader problem, affecting 20 percent of households. Child labor is quite prevalent, with approximately 20 percent of all children between ages 5-14 working. Most of the child workers are between 10 and 14 years old, with similar proportions for boys and girls. In the poorest households with child workers, earnings from the children are significant, representing about one third of total household income.

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[2] LGED Survey of Slums, 2005.

Improving income-earning opportunities for the poor will be dependent on ensuring a vibrant labor market in Dhaka. Several factors are likely to influence the labor market over the coming years. On the supply side is the issue of continuing migration which will both put additional pressure on the labor market, and also bring new capital, new skills and new entrepreneurs. A second issue is the role of education which can raise the productivity of the poor and their income-earning potential. While education levels of the poor in Dhaka are far better than in the rest of the country, the average level of education of the poor is low compared with other developing countries. Improving education levels in Dhaka and Bangladesh as a whole will be critical to keeping the country competitive in global markets.

On the demand side are the consequences of the removal of the Multi-Fiber Agreement (MFA) quotas on the readymade garment (RMG) sector at the end of 2004. While there are a number of complex factors, the impact of which are not fully known, there is still a risk that some jobs might be lost in the future. An estimated 500,000 workers are employed in the RMG sector in Dhaka. Most of these workers are women, who provide critical support to their families. Substantial numbers also work in related services industries. While the first half of 2005 has not seen a decline in RMG exports, the future is unclear. If there is a decline in demand as is projected, Dhaka's labor force will be directly affected. A second issue on the demand side is the development of self employment through expanding opportunities for micro-credit in urban areas. Bangladesh is known for its successes in micro-credit through the Grameen Bank and others, though these programs have generally not been operating in urban areas. While a few have begun operating in Dhaka, there is substantial scope for expanding micro-credit opportunities, particularly with the participation of NGOs.

Shelter for the Poor

Secure shelter is a major challenge for Dhaka's urban poor. As migrants continue to arrive, they often end up in illegal settlements on precarious lands with major environmental concerns. The slums are located throughout the city with few services offered at high prices through middlemen, also called musclemen or *mastaans*, using illegal methods. Slum evictions take place periodically, with no resettlement plans. The constant threat of eviction adds to the stresses of every day life for the urban poor.

Land prices in the Dhaka City Corporation (DCC) area are very high making it impossible for the poor to afford to purchase land in the open market. Part of the reason for high land prices stems from the fact that the City suffers from a shortage of land due to its topography. This shortage has driven prices up to levels that are considered high even by developed country standards. The real scarcity of developable land is exacerbated by an artificial scarcity, stemming primarily from the current use of substantial amounts of public land in downtown Dhaka. Large plots are taken up by university land and residences, a deserted airport, and an army cantonment. In addition, close to 10 percent of the city's housing stock is publicly owned and held in low-rise building on very expensive land.

The Government has developed a National Housing Policy which reflects an enabling approach to land and housing markets. This Policy, however, has not been implemented effectively. Among the inconsistencies in implementation are the estimated 70 percent of urban development in the City that is informal, large scale evictions of slum dwellers with no relocation plans, and building on environmentally sensitive public lands such as flood or retention ponds. Part of the lack of enforcement of the policy is related to the fact that the institutional capacity for city management is weak. The roles of DCC, the Planning Authority RAJUK, and line ministries are not clear and coordination is very limited.

Services for the Poor

Access to basic services such as water, sanitation, electricity, health and education by the poor is limited. Because most slums are not recognized as legal lands, the Government, NGOs and Donors generally do not provide services in these areas. As a result, a parallel structure has emerged with *mastaans* providing services for a high fee. They are self appointed leaders who set up committees, maintain links and have patronage from local and national political leaders, government official and local law-enforcing agencies.

As with housing, the administrative structure related to the public delivery of services is complex. Public services are delivered by a mix of central and local agencies, with limited resources, weak administrative capacity and little coordination. DCC, which is responsible for a wide range of services, cannot perform their functions adequately due to severe resource constraints and limited authority. DCC is dependent on central government for financial grants and for staff appointments, and has limited role in city planning or physical development.

Interviews with donors, government agencies and NGOs revealed three major constraints to providing service delivery to urban slum residents. These include: i) a lack of government policy giving slum residents rights and access; ii) the eviction of slum residents; and iii) the role of *mastaans* in the absence of formal government structures.

The lack of government policy on urban development and urban poverty results in a conflicting power structure between the DCC and the national level, and a lack of authority to work in slum areas. The urgent need for a clear policy and mandated agency to address the challenges of urban development, urban poverty and service delivery is evidenced by current conditions.

The constant threat of evictions prevents agencies from investing in infrastructure for health, education, water and sanitation services. All agencies mentioned this as a barrier for effective service delivery. *Mastaans* are firmly rooted in the slums and are often the only service provider. Residents report paying high amounts for the services, much higher than the rates offered by the utilities, and regularly face extortion for fear of physical harm or eviction if payoffs are not made.

A series of other constraints were also mentioned by implementing service providers in NGOs, Government and Donor organizations. Among these are resources, lack of appropriate infrastructure -- particularly schools and health clinics, limits in technical capacity in the various agencies, difficulties in working with the various agencies, and concerns about discerning between effective and ineffective NGOs.

Crime and Violence in Dhaka's Slums

Crime and violence has become a major problem in Dhaka, particularly affecting the poor. It has huge costs to the City in terms of the judicial system, health care, foregone earnings, costs on private security, loss of competitiveness, loss of jobs and productivity. The non-monetary costs on the population are also considerable in terms of levels of fear and mistrust, anxiety, and lack of social cohesion.

A survey of crime and violence in four slums commissioned for this study provides new data on the prevalence and characteristics of crime and violence. An astounding 93 percent of respondents in the survey report that they had been affected by crime and violence over the last 12 months with 33 different types of crime identified by the respondents. Among the most commonly reported crime and violence are toll collection, *mastaan*-induced violence, drug and alcohol business, land grabbing, gambling, violence against women and children, illegal arms business, arson in slums, murder and kidnapping, and domestic violence. These results vary somewhat across slums.

Most of the crimes are reported to occur within the slum, and about 35 percent within the household compound. Other high risk areas are the roadside, markets, and the route to and from work. Violence against women, particularly domestic violence, is very high and likely underreported in the survey. This is consistent with other studies on violence against women in Bangladesh.

There appears to be a deep lack of trust by the urban poor in the justice system and police. The residents in the slums do not perceive much security and do not believe the justice system adequately serves their needs. In fact, some perceive that the system discriminates against slum dwellers. A majority of victims (60 percent) state that the incidence of crime and violence is not reported to anyone. When reports are made, it is to community leaders and family members. Only 3 percent say that they reported the incident to the police and even fewer report to Ward Commissioners. The survey indicated that the police took action against a reported perpetrator in only 1 percent of all cases.

A Strategy Forward...

The problems of poverty in Dhaka are enormous and thus any poverty reduction strategy for the city will require major policy shifts on many fronts. Overall improvements in the city's performance will contribute to economic growth which will have positive impacts for the poor. The city desperately needs strong management, better

coordination across agencies, effective and transparent local government, improvements in infrastructure, better access to basic services, enabling reforms in land and housing markets, credit markets for the poor, and a reduction of the disabling problem of crime and violence.

Prioritizing the long list of pressing needs and identifying viable mechanisms for implementation presents a daunting challenge. This will require coordinated actions from many stakeholders, but more importantly, strong political commitment to addressing the growing problems of the urban poor in Dhaka within the context of the overall problems of poverty in the country. The priorities for poverty reduction in Dhaka outlined below emerged from the analysis in this report and through a consultative process held in Dhaka in February 2006 including representatives from Government, NGOs, researchers, the private sector and donors.

Actions are needed to ensure, in general, the right environment to promote growth and poverty reduction in Dhaka, and in particular to improve access to employment, services, and a reduction in crime and violence for the poor. These actions, outlined below and detailed in the following chapters, should be framed by an urban development strategy for Dhaka, and aligned with the country's Poverty Reduction Strategy Paper (PRSP). Simultaneously, overall reforms of the judicial/policing systems, reductions in crime and violence, and transparent ways of attaining services are necessary for Dhaka to continue to provide an enabling urban environment to its citizens.

Policy Priorities

- *Developing and implementing a comprehensive strategy for urban poverty reduction.* Such a framework should address the needs of the poor within the context of overall urban development and the PRSP. Essential elements include identifying institutional roles and responsibilities for national and local governments as well as the NGO and private sector, creating an appropriate political and legal environment, and ensuring adequate resources for implementation.

  This strategy should be prepared through a consultative process led by the Office of the Prime Minister, in coordination with key ministries and agencies such as the Ministry of Local Government and Rural Development (MLGRD), as well as with the Planning Department (MOF) team overseeing PRSP implementation. As part of implementation, MLGRD should establish an urban unit within LGD to review and develop policies and ensure implementation of urban issues, including urban poverty reduction.

  One of the key objectives of the Urban Poverty Strategy should be to improve income earning opportunities for the urban poor. Reducing poverty in Dhaka will be linked to generating enough remunerative employment opportunities for new entrants and for the unemployed. Beyond the overall policy of improving the infrastructure in the city to permit manufacturing growth and attract investment,

other priorities include: i) identifying new areas for employment generation; ii) improving the skills of workers; iii) increasing access to credit for the poor to enable an expansion of self employment activities; and iv) facilitating increases in female labor force participation through access to child care.

- *Implementing institutional mapping, reform and capacity building of key agencies / institutions affecting urban growth and poverty reduction.* Initially, GOB should focus on RAJUK and DCC, as part of a comprehensive effort by MLGRD to strengthen local government and agencies influencing Dhaka's development. In general, with clear roles and responsibilities, agencies should be given authority, but made accountable for implementation. Extensive training in urban management and in technical areas will be necessary for agencies at the local level to do their jobs effectively.

- *Implementing the National Housing Policy to ensure shelter for the poor.* The National Housing Policy provides an enabling framework for addressing land and housing markets in Dhaka, and enforcing basic property rights. The implementation of this policy, as with an urban poverty reduction strategy, will require an adequate institutional framework with clear leadership, as well as roles and responsibilities. The Government should establish an inter-agency committee including key actors such as LGED, National Housing Authority, Ministry of Land/Ministry of Housing and Public Works, and RAJUK. In the medium term, the committee should be led by a clearly mandated agency with authority to implement the necessary reforms.

To improve the shelter conditions for the urban poor, it will be critical to keep up with Dhaka's growth and address the massive land and housing problems of the urban poor, which will require reforms on many levels. In addition to the importance of implementing an Urban Development Strategy for Dhaka and the National Housing Policy (including enforcement of basic property rights), other priorities include: i) developing mechanisms for better accountability for land use and better coordination of services in the city; ii) strengthening public institutions to implement land and housing policies and foster coordination between agencies; iii) initiating pilot shelter projects in poor areas in partnership with NGOs; and iv) addressing specific legal and regulatory issues that apply to zoning, land subdivision and building.

- *Improving service delivery and access to infrastructure for the urban poor.* To address the obstacles to delivering services to Dhaka's slums, recommendations from the review and consultations point to two overarching priorities: first, developing and implementing a policy of urban poverty reduction which provides the mandate for working in slum areas, and second, strengthening the role of local municipalities to deliver services. Other priorities include: i) improving accountability and oversight; ii) enforcing law and order to curtail illegal activities linked to extortion by the mastaans; iii) improving coordination between service providers; iv) exploring and implementing alternative delivery

mechanisms for some services (e.g. distance learning, mobile health units, etc.); and v) building capacity for service providers through training.

Infrastructure improvements will equally be needed to address the major deficiencies in providing access to basic services to the poor living in slum areas. Such improvements will require an enabling policy and institutional framework as mentioned above, as well as substantial capital investment. To ensure a comprehensive and coordinated approach, DCC should work in close coordination with key agencies and ministries such as Dhaka Water and Sewerage Authority (DWASA), Dhaka Electricity Supply Authority (DESA), Titas, Ministry of Communications, Ministry of Education, Ministry of Health and Family Welfare, and Ministry of Social Welfare.

- *Addressing crime and violence in slum areas.* The general importance of enforcing law and order in Dhaka is highlighted above. Importantly, however, the problems of crime and violence, as well as the illegal activities of the *mastaans,* which are pervasive particularly in slum areas. In addition to systemic judicial/policing reform, specific recommendations for crime and violence prevention stemming from international experience point to the need to: i) adopt a community based approach; ii) recover or create public space in slums and integrated slum upgrading; iii) initiate programs for the prevention of violence against women; iv) improve trust between the police and community; v) focus attention to the needs of children and youth; and vi) focus attention to issues of drug and alcohol abuse. Most of these efforts require concerted effort by the Ministry of Women and Children Affairs, but community involvement is essential.

These are critical priority areas not just for the urban poor but indeed for urban development overall. Development partners stand ready to support GOB in implementation of this complex agenda to improve the conditions of the urban poor. First is support at the policy level which would facilitate the formulation and implementation of major reforms. Second is continued support at the program and project level to include investments in infrastructure, service delivery systems, and human capital targeted to the poor of Dhaka. Because of the many complexities in working in Dhaka, a series of new pilots could be initiated in slum areas which would be carefully monitored and evaluated so that the most appropriate approaches could be scaled up over time.

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.

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[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.

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 Chittgagong (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]

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[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]

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[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.

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

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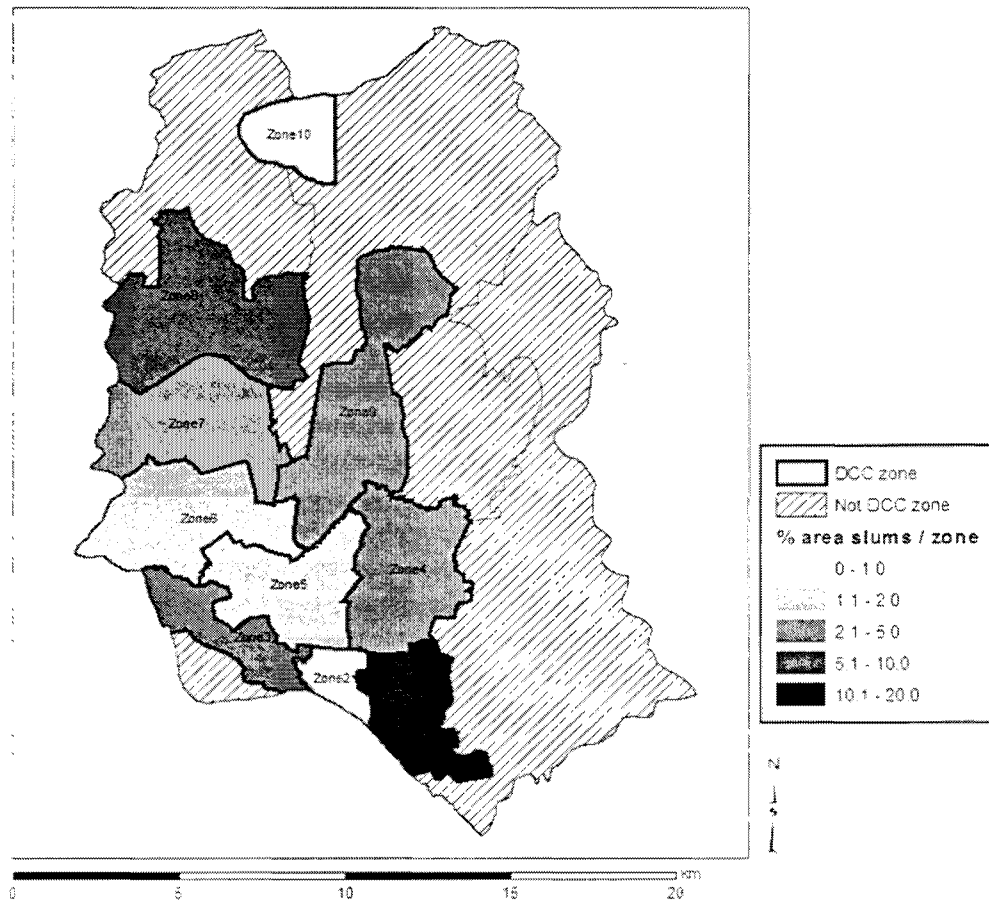
[12] The household count was estimated at 275,000 coming from the census of slum dwellers that was carried out by LGED as part of the slum mapping exercise. This is likely to be a lower bound estimate of the number of slum dwellers. and does not include the poor who live on sidewalks or do not have a 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
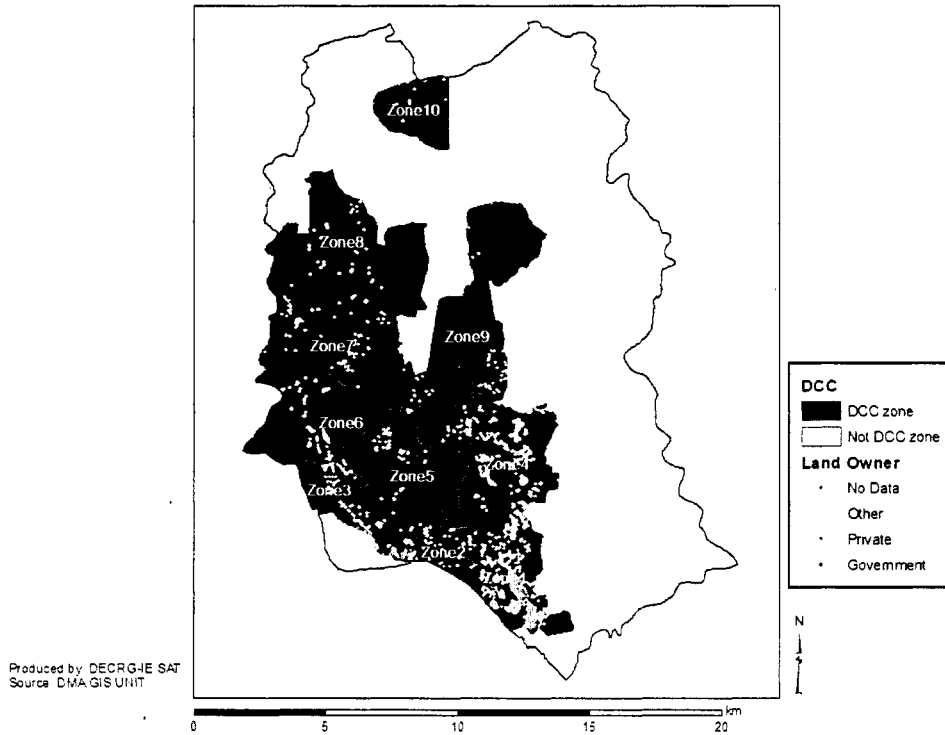
Many slums are located in low lying areas near the river and are prone to flooding. Approximately 7,600 households in 44 slums live within 50 meters of the river and are at risk of being flooded (see Figure 1.3).

Figure 1.3: Image of Flood Slums in Flood Zone, Dhaka
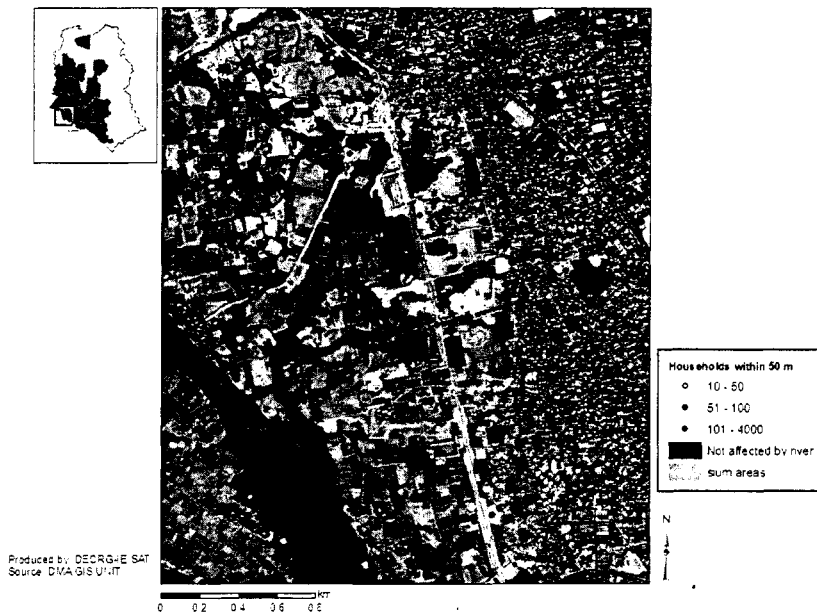
II. Characteristics of the poor

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

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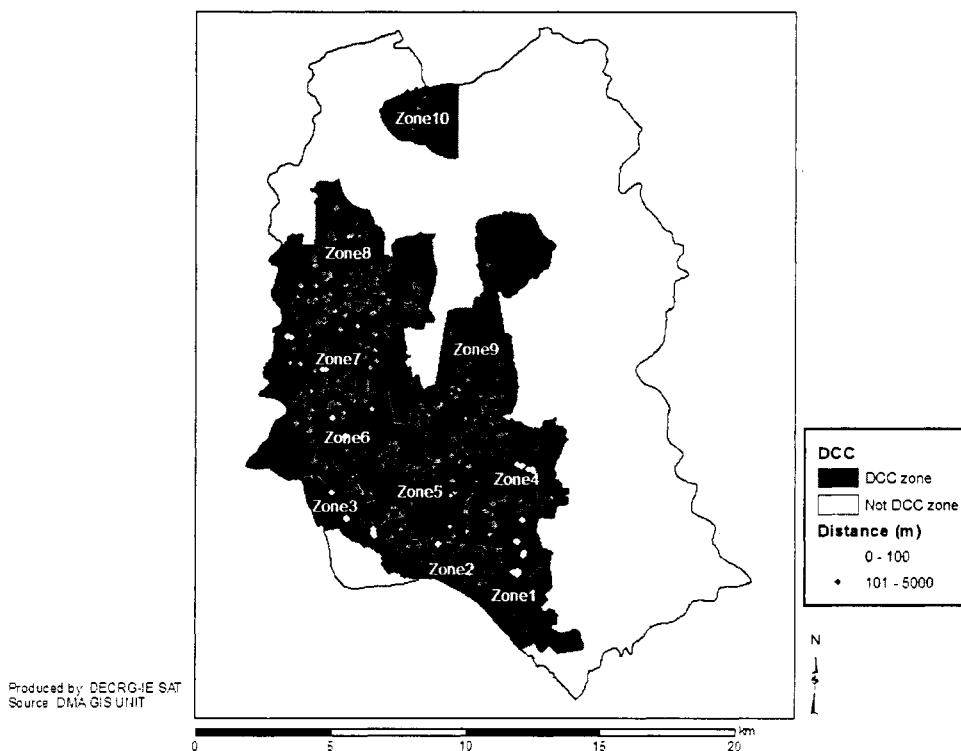
[14] For example, 87 percent of slum households on government owned land did not have a bathroom while the corresponding figure was only 49 percent for households in privately owned slum land.

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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

III. 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 (Beguntila 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)

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[15]Mannan, 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

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 Beguntila, 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.

CHAPTER 2: EMPLOYMENT AND POVERTY

I. Introduction

Dhaka is a city of opportunity for many. Migrants flock to the city in search of jobs and better lives. The appeal of the capital city is strong with prospects for employment in a range of sectors, particularly services and industry. The labor market is dynamic, with entrepreneurs arriving every day hoping to carve out a decent living for themselves and their families.

Yet for the estimated 28 percent of the city's poor, earning a living sufficient to meet the basic needs of themselves and their families is a continual struggle. Low wages, underemployment, unemployment and low skills levels are all challenges faced by the poor in the labor market. Understanding and addressing these problems is key to poverty reduction.

This chapter presents analysis of the characteristics of the labor market and links with the poor, with potential areas for policy change. The analysis is mainly based on the 2000 Labor Force Survey.[16] For the purposes of this study we focus on the Dhaka Statistical Metropolitan Area (DMA) which includes Dhaka (also called the Dhaka City Corporation (DCC) area), and the periphery area.[17] While this data is insightful and provides a good basis for analysis, there are some limitations: it is not current and the situation in Dhaka is rapidly changing; there are no data on travel to work, no panel data, and there are shortcomings with the classification of domestic workers living with their employers (Box 2.1).

II. General Characteristics of the Labor Force in Dhaka

The labor force in Dhaka grew twice as fast as the country as a whole in the late nineties largely due to continuing migration and increasing female labor force participation. Between 1996 and 2000, Dhaka's labor force grew by 15 percent as compared with 7 percent for the country as a whole. There were an estimated 3.5 million people in the Dhaka SMA labor force in 2000, representing 59 percent of the total working age population in the city (10 years and over) – 84 percent of the male and 33 percent of the female working age population.[18]

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[16] More detailed analysis is included in the background paper prepared for this study (Salmon, 2004).

[17] The list of thanas (municipalities) covered is included in Annex, Table A2. The sample of DMA is composed of 1500 households, and 6225 individuals. The sub-sample of 861 children between ages 5-10 received a specific questionnaire on their possible employment and school attendance.

[18] This refers to the extended definition of the labor force which includes any person aged 10 years and over who was either employed (worked at least one hour in a week) for pay or profit who was with /without pay or profit during the reference period as economically active. It includes own household economic activities. By contrast, the usual definition excludes these own household activities. The Standard unemployment rate is absolutely unemployed/total labor force. The "Proposed" unemployment rate is total unemployed persons (absolutely unemployed + unpaid family workers)/total labor force.

The main sector of employment is services, which employs more than two-thirds of the city's population, substantially higher than the country as a whole (25 percent), and the second main city Chittagong, SMA (50 percent). Industry represents 20 percent of all employment in Dhaka with about half of that in the garment sector. This accounts for 28 percent of female employment, similar to Chittagong but higher than other cities.

Interestingly, the remaining 11 percent work in agriculture, which is explained by the fact that a significant part of the land in Dhaka SMA is non-urban. This land is found on the periphery of the City where a large share of the low income population lives.

The share of formal employment in Dhaka SMA is much higher than the rest of the country at 51 percent including 14 percent in the public formal sector and 37 percent private (37 percent). For the country as a whole, formal sector employment only reaches 20 percent.

As expected, education levels are higher in Dhaka SMA than for the rest of the country with more than half of the employed population aged 15 years and over attaining a level of education higher than Class VI. This compares with only 25 percent for the country.

Female labor force participation is considered relatively high compared to other South Asian countries, though lower than most African countries and some East Asian countries. In Dhaka SMA women represent 33 percent of the labor force as compared with 18 percent in New Delhi and 14 percent in Calcutta (Census of India, 2001).

Unemployment in Dhaka is between 7.4 percent and 10.4 percent depending on the rate used (standard or proposed). Assuming the proposed rate, this is slightly lower than the country as a whole (11 percent), but higher than the cities of Khulna (7 percent) and Rajshahi (8.6 percent). Underemployment, while an issue in the labor market in Dhaka at 16 percent is substantially lower than the rest of the country (35 percent). This is explained by the fact that underemployment is more common for agricultural workers. Underemployment rate for Chittagong is 23 percent of the labor force and 27 percent in Khulna.

III. Employment and the Poor

For the purposes of the poverty analysis in this chapter, the population was classified into three groups:

Poor. The individuals who belong to the three lower deciles with per capita expenditures below the official lower poverty line.
Near Poor. The individuals who belong to the deciles 4 and 5 and live on the margins of poverty. Their expenditures per capita are higher than the lower poverty line,

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Underemployment rate is people working less than 35h per week/employed labor force. Unemployment and underemployment rate is total unemployed persons + underemployed persons/total labor force.

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but it is likely that many of these households fall in and out of extreme poverty depending on seasonal earnings and other conditions in the labor market.

Non-poor. Individuals who belong to the deciles 6 to 10 with expenditures per capita over the poverty line enabling them to meet their basic needs.

A. General characteristics

A number of characteristics of the poor in the labor market emerge from the analysis of the LFS survey. A household is more likely to be poor if the head of the household is unemployed or underemployed, works in the informal sector, and is a day laborer, or works in transport or agriculture. Women and children in poor households are more likely to enter the labor force, and work in low quality jobs, than in non-poor households.

As was seen in Chapter 1, the demographics of the household are closely linked to the probabilities of being poor. While a large number of dependents increases the probability of being poor as would be expected, the structure of the household is also highly important. The presence of a high proportion of male adolescents aged 9 to 14 in the household decrease the probability to be poor though there is no significant effect of the share of girls aged 9 to 14 on the probability to be poor. While it is common for young girls in poor households to work, a larger share are not paid and a significant share that are working, are not counted as a member of their own household, but as member of their employer's household where they work as live-in maids. This creates a possible bias in the data (Box 2.1).

In contrast, the higher the share of adults, male or female, the lower the probability of being poor. Among the other variables, education stands out - the more educated the head of the household, the lower the probability of being poor. Estimations also show that the age of the head also has explanatory power once the effects of the structure of the household are controlled for. The older the head, the lower the probability of the household being categorized as poor. As expected, the fact of owning no assets - such as a rickshaw, a sewing machine - increases the probability of being poor.

Table 2.1: Employment Characteristics of Households by Income Group

	Poor*	Near poor	Non-Poor
Variable	Mean	Mean	Mean
Number of observations	454	296	750
Household Size	5.13	4.68	4.40
Ratio of earners/household size	0.30	0.34	0.36
% male workers unemployed or under-employed	16	15	11
% of households where the wife is working	29	30	23
% of income earned by female workers	16	12	9
% of households where a child is working	28	18	16
% of income earned by children workers	6	2	1
% of household heads employees	35	39	45
% of household heads day laborers	13	5	1
% of household heads self-employed	44	50	40
% of household heads in the formal sector	43	49	63
% of household heads in transport	20	17	7
% of household heads in trade	18	28	29
% of household heads in agriculture	11	8	5
% of household heads in manufacturing	11	10	9
% of household heads in construction	5	4	3
% of household heads in finance	1	2	7

Source: 2000 LFS. Extended definition of employment. Standard Deviations are reported in Annex 2.

* Poor represents Deciles 1-3; Near Poor Deciles 4-5; Non-Poor, Deciles 6-10

B. Employment Sector and Occupation

More than two thirds of male workers from poor households are found in two categories of jobs – production workers (including transport laborers such as rickshaw pullers) and trade workers (street vendors, retail trade). Poor male workers are also over-represented as agricultural workers. Agriculture and transport activities are almost exclusively employment for the poor, which is not the case for trade.

Table 2.2: Sectoral Distribution of Male Workers in Dhaka SMA by Income Group (in percentage)

Sector	Poor	Near Poor	Non-poor	Total
Agriculture	12.8	10.1	6	8.9
Mining	0	0.3	0.2	0.2
Manufacturing	14.8	14.8	12.3	13.6
Energy	0	0.5	0.6	0.4
Construction	4.5	4.1	2.8	3.6
Trade	27.3	34.2	33.9	32
Transport	17.1	16.3	8.5	12.7
Finance	1.4	2.3	7.4	4.6
Community services	18.0	15.3	23.8	20.3
Household services	4.0	2.1	4.4	3.8
Total	100	100	100	100
Public	12.9	14.8	20.5	17.1
Private	33.0	33.8	48.7	41.0
Informal	53.7	51.4	30.7	41.8
Non-profit institutional	0.3	0	0.1	0.2
Total	100	100	100	100

Notes: extended definition of the labor force.

Table 2.3: Main Jobs of Male Workers in Dhaka

	Poor male workers (%)	All Male workers (%)
Messenger/office boy	4	3
Working proprietor/retail trade	10	15
Other sales workers	25	17
Latrine cleaner	4	2
Farmer & other agricultural activities	12	8
Rickshaw puller	10	5
Other transport workers	11	6
Production worker (except transport)	23	18
Miscellaneous	2	26
Total	100%	100%

Notes: extended definition of the labor force. Poor male workers coming from the deciles 1 to 3.

Employment options for poor female workers are even more limited. Given gender norms and lower education levels, women are excluded from a large range of sectors and occupations such as transport, services, and trade (Annex 2, Table A2.18). Poor female workers are over-represented in the agricultural sector and the household services, once Live-in Domestics of the better-off households were excluded (Box 2.1). The surprisingly strong importance of the agricultural sector (19 percent of the female labor force but 25 percent of the employment of the poor female workers) is both explained by the geographical contour of the sample and the fact that the extended definition of the labor force is used.[17]

The analysis of female workers in Dhaka is constrained by a shortcoming in the data set. Live-in domestic workers are counted as a member of the household of their employers who tend to be in the upper deciles. They are therefore, not counted as members of the households where their families are, which are largely poor. This distorts data on the characteristics of female employment, the correlation of poverty and domestic work, and earnings among poor families. A number of studies show that most female workers hand over a large proportion –or even all-of their pay to the head of the family (Elson, 1999; Amin & al., 1997; Ward & al., 2004, Kabeer, 1991). According to Amin & al. (1997), female workers are strongly expected to contribute toward household expenses regardless of whether they live at home or independently. Yet this data does not appear to be captured in the income of poor households. Data on the destination of incomes of the gains of the live-in-domestics is not available in the LFS data set. Approximately 16 percent of child workers work as non-relatives in the better-off households and thus are misclassified.

A majority of poor female workers are employed in two types of jobs, as domestic workers (16 percent) and garment workers (32 percent) (Table 2.5). As discussed above, it is noteworthy that the share of live-in domestics amongst the poor income groups is probably highly underestimated as most of them are counted as members of the better-off households. If one assumes that all live-in maids would come from the three lower deciles, the share of maids among the poorest female workers would reach about 35 percent instead of 16 percent. Garment workers tend to come from the middle deciles (4 and 5), with the financial contribution to household income helping to escape extreme poverty.

Table 2.4: Sectoral distribution of female workers in Dhaka SMA by income group (in percentage)

Sector	Poor	Near Poor	Non-poor	Non-poor without non relative members	Total
Agriculture	25.1	21.6	14.1	18.9	19.0
Manufacturing	26.7	38.5	19.9	26.6	25.5
Trade	2.7	2.0	2.3	3.0	2.4
Community	23.1	18.2	28.8	38.4	25.0
Household services	19.2	16.2	30.6	7.4	24.3
Misc.	3.6	3.4	4.3	5.5	3.8
Total	100.00	100.00	100.00	100.00	100.00
Formal public sector	2.7	14.8	20.5	14.1	17.1
Formal private sector	22.7	33.7	48.7	32.3	41.0
Informal sector	53.7	51.4	30.7	53.2	41.8
Non institutional sector	0.3	0	0.1	0.3	0.1
Total	100.00	100.00	100.00	100.00	100.00

Source: LFS 2000.
Notes: Employed population, 10 years and over

Table 2.5: Main Jobs of Poor Female Workers

	Poor female workers	Near Poor female workers	Overall female workers
House maid and related housekeeping service worker	16%*	13%*	21%
Other service worker	9%	11%	7%
Agricultural worker	27%	21%	20%
Garment worker	32%	39%	28%
Other production worker	15%	12%	5%
Miscellaneous	1%	4%	7%
Total	100%	100%	100%

Notes: Employed population, 10 years and over
*Share of maids statistically under-estimated among the low income groups. See text.

C. Gender, employment and poverty

The entry to the labor force of women is associated with level of income, education, employment characteristics of men in the household, and the presence of children in the household. Approximately 30 percent of women in poor households work as compared with 23 percent in the wealthiest households. Given the lower participation and lower income levels than men, the financial contribution of earnings to the household are also particularly low. In Dhaka SMA, only 8 percent of total income is brought home by women.

Interestingly, the probit models showed that the employment characteristics of the head (male) or of the other men of the household play a part in the probability for a woman to enter the labor force with women more likely to work when there are males in the household who are un-or underemployed. Currently, married women are more likely to work than divorced women or widows. Married women are less likely to work as domestic workers - live-in or live-out.

Garment factories tend to employ young single women. Studies show that for a large proportion of young women the decision to enter into employment, was made by the parents (Amin & al. (1997, Zaman, 2001, Kibria, 2001). Garment work is also seen by women and their households as an alternative to early marriage as reported in Amin and al. (1997).

With regard to education, low levels of education of women among the poor are associated with a higher participation in the labor force. Women with an intermediate level of education (class 6 to 10) are more likely to work in the garment sector than to be non-workers. The lowest education levels are highly associated with the probability of being employed as a domestic worker.

The likelihood of entering the labor force drops when young children (under 5) are present in the household. This would indicate potential for increased labor force participation with adequate day care options for mothers with young children. In fact, the

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probit models show that the presence of other women in the household explains the probability of female employment, particularly when considering the extended definition of the labor force.

D. Participation of children in the labor force

Approximately 20 percent of children between the ages 5-14 are found to be working.[19] Most of the children workers are between 10 and 14 years old. Surprisingly, this proportion is similar for girls and boys (Annex 2, Table 2.21). Most boys are found in the trade sector and most girls in the household services. Manufacturing employed about 25 percent of all child workers (equal for boys and girls).

At first glance, the proportion of child workers seems to be almost the same across per-capita income deciles. This is linked to a measurement problem explained in Box 2.1.

Child workers are found to work around 34 hours per week (33 hours for the girls and 36 for the boys). However, there is a great heterogeneity within this variable. First, the younger workers - aged under 10 years old - work less than the older children, *i.e.* around 17 hours per week. Secondly, the working time is substantially higher for the children living with their employer as they were found to work, on average, 58 hours per week. This mainly affects girls that are live-in domestics.

Around one third of all child workers are paid with most of them 10 years old and above. The youngest children are very rarely paid. In the poorest households with child workers (the lowest two deciles) earnings from the child workers represent a significant contribution of one-third of the total income of the household.[20] On average, for all the deciles, the earnings of the children represent around 20 percent of household income within the households where there are paid children. The average monthly income of a paid child worker was Tk. 848 in Dhaka in 2000.

Probit models corroborate this relationship between the level of poverty of the household and the child labor (Annex 2, Table 2.22). Among the household characteristics playing a role in the decision to enter the labor force for the children, three variables stand out: the share of adult males in the household, the share of adult males un- or underemployed and the presence of very young children in the household. Children, particularly boys, are more likely to enter the labor force when the share of males over 15 years old is low or when the share of male over 15 years either underemployed or unemployed is high. In both cases, it seems that children enter the labor force because all other economic resources available in the household have already been used.

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[19] LFS 2000. These estimates are considerably different from those in the HIES 2000 data. In the HIES, only 5 percent of all children aged 5-14 were reported to be employed (urban and rural), and another 10 percent were looking for employment. This large discrepancy in participation rates may be due to differences in the definition of labor force participation in the two data sets. The LFS uses a more extended definition of the labor force than the HIES.

[20] On average, the earnings of the children represent only 2 percent of the total income of the whole households of Dhaka SMA.

E. Working hours and income

There is much variation in the number of hours worked and earnings among the poor (Table 2.6). For example, on average, a poor rickshaw *wallah* works 8 hours more than the "urban farmer" (about 55 hours / week *versus* 47 hours / week). The differential is far more striking for women. Female live-in domestic work 22 hours more per week than garment workers. Moreover, the remuneration of average live-in domestics is by far the lowest.

Monthly wages among the extreme poor rank from about Tk. 700 – for the live-in domestic-to about Tk. 2,800 – for the transport workers. By comparison, the average level of monthly wages in Dhaka is Tk. 4,159 for males and Tk. 1,600 for the females for all income groups. Regardless of the job, the remuneration of poor female workers is lower than that of poor male workers.

Table 2.6: Hours and Wages of the Poor, by Occupation and Gender

	Poor male workers			Poor female workers		
	Rickshaw Puller & other transport workers	Farmer	Vendor	Live-in domestics.*	Maid	Garment worker
Number of observations	111	70	136	98	38	79
Working time	54.9 h.	46.9 h	50.7 h	60.4h	43.5 h	38 h
Percentage of pop. working more than 60 hours per week	27%	19%	27%	45%	11%	11%
Monthly wage	Tk. 2,837	Tk. 2,120 **	Tk. 1,688	Tk. 703	Tk. 731 **	Tk. 1,125 **
Self net income	Tk. 2,126	Tk. 3,571 **	Tk. 2,730	-	-	-

Notes: *:Live-in domestics employed by the non-poor category
**: number of cases less than 50.

F. Un- and underemployment

Unemployment and underemployment are major problems for the poor.[21] Unemployment is almost double that of the non-poor regardless of which definition is used ranging from 10-14 percent for the poor. Underemployment affects 20 percent of households (Table 2.7).

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[21] Standard unemployment is defined as the number of unemployed as a proportion of the total labor force. The "proposed" unemployment rate is the total unemployed (unemployed plus unpaid family workers) as a proportion of the total labor force. Underemployment is those working less than 35 hours per week, as a proportion of the employed labor force.

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Table 2.7: Unemployment and Underemployment in Dhaka SMA by Income Group

	The poor	The precarious	The non-poor	Total
Unemployment rate	10.0%	8.1%	5.4%	7.4%
Unemployment rate proposed	14.3%	10.5%	7.9%	10.4%
Underemployment	21.2%	16.3%	12.7%	16.0%
Total un- & underemployed	29.1%	23.1%	17.4%	22.2%

Notes: this distribution does not take into account the problem of the live-in maids.

This is the case for both men and women. Unemployment affects about 9.5 percent of the poorest male workers *versus* around 5 percent of the wealthiest workers. For females, about 25 percent of the poor are unemployed compared to 12 percent for the non-poor.[22] Underemployment affects almost half of poor women *versus* one-third of those who live in the upper deciles. As the live-in domestics work longer hours than the average, the fact of omitting them from the upper deciles tends to narrow the gap between the different income groups. If they were statistically reintroduced in their own households, the differences of rates of unemployment and underemployment across deciles might disappear in the female group.

IV. Prospects for Employment Generation and Policy Recommendations

The above analysis demonstrates a strong link between poverty and employment. It is widely accepted that high rates of productive and remunerative employment growth and high rates of economic growth contribute to poverty reduction.

In a labor-surplus economy like Bangladesh, accessing productive employment is one of the main routes to escaping poverty. In the case of Dhaka, the challenge is to create enough remunerative employment opportunities for all the new entrants and the unemployed in order to decrease poverty. Among the priority areas are: i) identifying new areas for employment generation; ii) improving the skills of workers; and iii) increasing access to credit to enable an expansion of self employment activities.

Different factors are likely to influence these priorities for Dhaka's labor market. On the supply side is the issue of migration, and the role of education. On the demand side, are the consequences of the Multi-Fiber Agreement (MFA) removal on the RMG sector, and opportunities for expansion of micro-credit in urban areas. These are discussed in detail below.

A. Trends and prospects on the supply side of Dhaka's labor market

i. Migration to Dhaka

The average annual growth rate of the urban population in Bangladesh was around 3.5 percent during the last decade (BBS, 2001). During the same period, the growth of the rural population was 1.5 percent per year. One could estimate that at the

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[22] Based on the proposed definition of unemployment.

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current rate of urbanization, about one-third of the whole population will move to urban areas by 2010. As Dhaka is one of the main destinations for migrants, the city is projected to grow by 7 million people to 19.5 million in the next 10 years.[23]

One of the main reasons for this dramatic growth is the constant influx of rural migrants. Previous estimates show that the rural-urban migration rate contributed between three-fifths to two-thirds of the urban growth rate in Bangladesh.[24] The rural to urban migration rate has not slowed down since the middle of the eighties reaching 4.9 percent during the eighties and 5.9 percent in the nineties.[25]

A number of studies in Dhaka have found that when asking people why they migrated, the main reason was to find a job. This is consistent with the literature from other countries.[26] The principal "push" factor reported by migrants in Dhaka was insufficient job prospects in villages. At the same time, the perception of a high probability of getting a job and earning a higher income in urban areas are the main pull factors.

Other push factors include rural poverty, land erosion in their village, and perception of better education, health services, and social amenities in the City.[27] Many migrants interviewed in these studies report that they had nowhere to go after their land was destroyed by floods. In such conditions, Dhaka or other large cities are seen as possible places to try to earn a living.

"When my father left my family for good, we had no other option but to come to Dhaka and find ways to survive. In our village we do not have any work. I made the journey with my brother and my two sisters, because everyone said that Dhaka is like a paradise where everyone can find employment in the garment factories (...)". A garment worker in Dhaka, cited by Oxfam (2004).

The labor market in Dhaka versus rural areas. The comparison of wages and employment characteristics between the rural areas and Dhaka suggests a significant wage gap between urban and rural wages providing incentives to migrate (Table 2.8). Average wages are significantly higher in Dhaka and other cities than wages prevailing in the villages (LFS 2000).[28] This is true for all education levels, all sectors and both sexes. On average, accounting for differences in cost of living between the capital and the rest of the country, wages are approximately 40 percent higher in Dhaka and net self employment incomes are approximately 21 percent higher.

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[23]COHRE and ACHR, 2000.

[24] UN, 1993

[25] According to the sample vital registration system, BBS. These figures do not include migration to foreign countries.

[26] According to recent surveys carried out in Bangladesh on this topic, (see Aparajeyo-Bangladesh, 2003; Hossain, 2001; Bhuyan & al., 2001; COHRE and ACHR, 2000).

[27] see Aparajeyo-Bangladesh, 2003; Hossain, 2001; Bhuyan & al., 2001; COHRE and ACHR, 2000).

[28] Cost of living differences are calculated using the Cost of Basic Needs (CBN) poverty lines, defined by geographic areas. Two corrections are made for comparison on wages and net self employment incomes. See Annex Tables A3.

The wage differential is the highest for the most educated workers, and those who work in the construction, trade and finance sectors. The differential is more pronounced for female wage-earners than their male counterparts. By geographic area, differentials are greatest between Dhaka and the rural Rajshahi and Pabna areas, and substantial between Dhaka and other urban areas. For example, the differential between Dhaka and urban Chittagong for both wages and net self employment income is about 50 percent. Paradoxically, wage differentials are not very large for the manufacturing sector. Once differences in cost of living are taken into account, there is only an 11 percent differential for work in manufacturing in Dhaka as compared to rural areas.

Table 2.8: Comparison of Average Monthly Wages between Dhaka and Rural Areas in 2000 (in Taka)

	Dhaka (a)	Rural areas (b) Correction 1	Rural areas (b) Correction 2	Ratio (a/b) Correction 1	Ratio (a/b) Correction 2
Average monthly wage	3237	2490	2138	1.30	1.51
Average monthly wage by level of education					
No education	1323	1237	1071	1.07	1.24
Class I to V	1971	1849	1609	1.07	1.22
Class VI to X	2783	2605	2227	1.02	1.19
SSC-HSC	3964	4823	4127	0.78	0.91
Degree and above	7696	6276	5313	1.21	1.43
Average monthly wage by sector					
Agriculture	1768	1389	1208	*1.27	*1.46
Manufacturing	2329	2426	2100	0.96	1.11
Construction	6273	*2410	*2057	*2.60	*3.05
Trade	3000	*1950	*1676	*1.54	*1.79
Transport	3918	*3476	*2978	*1.13	*1.32
Finance	7270	4951	4266	1.47	1.70
Community services	4507	4442	3781	1.01	1.19
Household services	1370	1088	940	1.26	1.46
Average monthly wage by gender					
Male	4159	2891	2841	1.44	1.46
Female	1600	1181	1015	1.35	1.58

Source: Salmon, 2005, based on 2000 LFS.
Notes: Rural wages are corrected to account for cost of living differential between Dhaka and the rest of the country. Extended definition of the labor force. Employed population aged 10 years and over. Correction 1 accounts for both food and non-food items between Dhaka and other regions and may overestimate differences. Correction 2 accounts only for food items and may underestimate differences.

The gap between agricultural wages and industrial wages has been widening since the mid-eighties (BBS). The wage gap reached about 40 percent at the beginning of the

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nineties *versus* almost 100 percent at the end of the nineties. This gap does not, however, necessarily reflect actual wages for new migrants coming to Dhaka. A large proportion of new migrants find employment in the informal sector, where wages are lower than in the formal industrial sector. Moreover, the cost of living is higher in the city than in the rural areas, which decreases purchasing power.

The perceived probability of getting a job in the city greatly affects the decision to migrate. Comparative data on unemployment and underemployment in Dhaka versus rural areas is mixed. Underemployment is far lower in Dhaka than in the rural areas (22 percent lower), and unemployment depends on which definition is used. Using the proposed unemployment rate (which includes the unpaid family workers), unemployment is lower in Dhaka (10.4 percent) than in rural areas (11.3 percent). The official unemployment rate shows the opposite - higher unemployment in Dhaka than in rural villages (7.4 percent versus 3.3 percent) - except for the highly educated.

Another issue is the reliability of the information on which prospective migrants are basing their decision. One study found that about 80 percent of migrants mentioned prior migrants as the principal source of information on the job prospects in the city. The remaining migrants had no explicit reason for assigning the probability of getting a job in the city[29] In practice, migrants' perception of the probability of getting a job in the cities was generally reported to be very optimistic compared to the actual experiences. About two-thirds of migrants reported that they had serious difficulties in finding a job after migration and that the process was particularly long.

There are possible explanations for the misperception of migrants' expectations with regard to finding jobs or wage levels. First, they view certain jobs as available and "well-paid", particularly in the garment industry and the public sector.[30] Second, studies have shown that there is a feeling among the rural population of an urban bias where urban areas benefit from priorities in terms of public expenditures, access to good jobs, amenities, etc.[31]

Consequences of rural-urban migration for the poor in Dhaka. The question of whether the rural-urban migration is beneficial or detrimental is a controversial issue in the literature. It can provide labor needed for urban industrial growth, contribute to urban services, and provide opportunities for many. Remittances sent to rural areas can also provide substantial assistance to families. On the other hand, it can drain rural areas of skilled individuals and the influx of migrants to cities, particularly at a rapid pace, can strain the urban infrastructure, environment and labor markets.

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[29] Bhuyan & *al* (2001

[30] The development of the RMG sector has played a very important part in the *economic* development of Dhaka but also in its *demographic* growth. The strong growth of Dhaka that has been observed this last decade is for a large part due to the dramatic growth of the RMG sector.

[31] See Bhuyan & al, 2001 it is noteworthy that, before migration, around half the respondents report that they thought of a probability of between 0.5 and 0.75 of getting a job in the city. Given that the differentials of wages are particularly wide, the perceived employment opportunities remain high enough to push people to migrate (Bhuyan & *al.*, 2001).

Many migrants coming to Dhaka end up in slums where living conditions are particularly grim. New migrants cite a number of major drawbacks once they arrive to urban areas: overpopulation, polluted environment, lack of jobs, and deteriorating law and order (Bhuyan & *al,* 2001). However, in spite of these negative factors, migrants do not express a desire to go back to their villages in most surveys. In fact, evidence shows that, on average, after migration, monthly household expenditures of migrant households increased by 40 percent. (Bhuyan & *al,* 2001). This substantial increase in earnings seems to compensate for most of the drawbacks of life in Dhaka.

For city managers, the dramatic growth of Dhaka has generated a number of problems including providing adequate water-supply, sanitation and basic services, the management of garbage, the increasing risk of criminality and violence, and the deterioration of environmental conditions. To address the influx of migrants, the GOB has undertaken several policies such as forced evictions (discussed in Chapter 3) and the Ghore Fera (Back to home program). This program encourages people to return to their village by offering them loans for income generating activities in their village, and expenses for transportation and resettlement, though has not been considered very successful. As long as job prospects in cities look promising to the rural poor, many of those who can will continue to migrate.

ii. The role of education

Investments in human capital for the poor can play a major role in boosting economic development. The increase of human capital can raise the productivity of the poor and their income earning potential. While education levels in Dhaka are far better than in the rest of the country, the average level of education remains low compared with other developing countries. Literacy rates for workers aged 15 and older are only 52 percent among poor male workers and 33 percent for female workers. Moreover, vocational training is very limited, regardless of income group. Less than 10 percent of male workers and 6 percent of the female workers have received technical or a vocational training (Annex 2, Table A2.8).

Education costs can be prohibitive for the poorest. While most reports show that households - even poor households - demonstrate a strong willingness to send their children to school by investing huge sums in their education, the poorest of them are limited by financial constraints. Even though the government has the country-wide Compulsory Primary Education Program, and the Food-For-Education (FFE) program mainly in rural areas, education remains very expensive for a poor family - both in monetary terms and in terms of opportunity cost.

Vocational-technical training also remains very low relative to labor market needs. The quality of instruction is also cited to be low (Knowles, 2001). There are few linkages between the output of the system and the demand for trained manpower. Significant improvement in this type of education appears to be greatly needed,

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particularly through the development of a private system of training and vocational education.[36]

B. Trends and prospects on the demand side of Dhaka's labor market

The extent to which the growth of a sector contributes to employment generation can be analyzed through the employment elasticity of sectors. The estimate of output or value-added elasticity measures the responsiveness of employment with respect to a change in output or value-added. High employment elasticity in a sector usually means potential for job creation.

For the economy of Bangladesh as a whole, estimates of the employment elasticity with respect to sectoral growth show strong disparities among sectors. The service sector appears to be the most employment friendly with an elasticity over 1 (Table 5.4). The manufacturing sector is somewhat more controversial and is discussed below. Some of the discrepancies are due to data issues (Salmon, 2004).

i. Employment trends in the manufacturing sector

The manufacturing sector represents about 17 percent of the total labor force in Dhaka SMA, with the RMG sector accounting for 12 percent. Its development in terms of output or value-added is generally considered to be highly important to generating additional job opportunities in order to absorb the additional urban labor force.[37] A disaggregated analysis of the employment elasticity relative to value-added and output for 23 categories shows that the highest elasticities (higher than 0.75) included relatively low skilled industries such as textile industries, bricks, and ship breaking (Rahman & Islam, 2003). Among them is the Readymade Garment (RMG) industry – with an employment elasticity of 0.85 to 0.96 with respect to value-added.[32]

ii. How does the RMG sector affect poverty?

Since the beginning of the eighties, the RMG sector has undergone considerable growth in terms of production, exports and employment. At the beginning of the 2000's, the sector provided 76 percent of Bangladesh's foreign earnings.[33] RMGs employed about 200,000 workers in 1985 which grew to approximately 2 million in 2003. Much of this job growth has been in Dhaka, which now employs about one-fourth of all garment workers.

Most garment workers are women (approximately 90 percent), who support an estimated 10 million dependents (Ward, 2004). Moreover, related service activities are estimated to employ another 2 to 5 million people depending on the source (Ward, 2004; Ahmed and Sattar, 2004).

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[32]Rahman & Islam (2003) for period 1980-1998

[33] On about 3,600 factories that operate in Bangladesh, some 800-900 engage in direct exports, while the remainder works on subcontracts (Ward, 2004).

At a microeconomic level, there are a number of studies showing improvements in living conditions for females who have entered into the garment sector (Kabeer, 1991; Amin & al, 1997). Working in a garment factory is seen by thousands of rural women as a way to escape extreme poverty (Kibria, 2001). Women in poor urban households report that garment employment is perceived as a good opportunity compared with other types of unskilled employment available to women with low levels of education in urban areas (such as domestic work). The financial contribution of Dhaka's garment workers accounts for one-third of their family income (LFS, 2000). Wages are, on average, significantly higher than in the other sectors offered to women. Several studies have also found that the development of the garment sector has played a significant role in contributing to the empowerment of women, particularly among the poorest of them (Kabeer, 1991; Amin & al, 1997).

Despite the positive benefits of the RMG sector, recent growth and prospects for future development are less encouraging. Performance over the past few years has demonstrated that Bangladesh's garment sector was highly dependent and, thus, vulnerable to external shocks such as international events and changes in trade agreements. This industry, seasonal by nature, has become increasingly irregular in terms of employment since 2001. In August 2001, a few months after the U.S Trade Development Act-2000 became effective (which gave duty-free access and trade preference to African and Caribbean countries), more than half of the Bangladeshi factories reported to have no orders. After September 11, 2001, orders declined rapidly so that by December 2001, it was estimated that nearly 1,300 factories closed and 400,000 women lost their jobs (Ward, 2004). A number of studies have focused on the effects of closures of garment factories finding it was extremely difficult for these women to find another job given the lack of other job opportunities in Dhaka (Shefali, 2002).

Additionally, external competition has increased since the entry of China in the WTO and the end of the MFA (Multi-Fiber Agreement) in December 2004. The MFA had provided Bangladesh with a guaranteed market in North America under the quota regime. At the end of 2004, all quota restrictions were abolished.

It is difficult to quantify the impact of the many factors that the phase out of the MFA will have on employment in the RMG sector (Box 2.2). In fact, the reduction of RMG exports is anticipated to affect all the households through the depreciation of the real exchange required to offset the decline in export earnings and through the overall reduction in labor demand (Arndt, & al, 2002).

A general equilibrium model of the Global Trade Analysis Project estimates that the decrease of garment production could reach more than 10 percent.[34] This then would translate to a decrease in direct employment by about 5 percent, and indirect employment of another 5 percent. Other simulations predict a 25 percent decline in RMG export (excluding knitwear) leading to a 6 percent decrease in wage payments to unskilled

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[34] See https://www.gtap.agecon.purdue.edu/resources/default.asp

female labor in non-agriculture (Arndt & al, 2002). Regardless of which estimate, the losses will hit the poor working in this sector the hardest.

A large part of the job creation in the urban labor market is linked to the RMG sector. Given the termination of the MFA, Bangladesh will have to invest in making this sector sufficiently competitive to keep its market shares. This necessitates large investments to improve product quality, increase efficiency, modernize technology, and ensure that products are competitively priced (WTO, 2000). However, to meet these investment needs, it is unclear if Bangladeshi entrepreneurs will have the managerial and risk-taking capacity to handle such a level of investment (Sobhan, 2002). This will require involvement of financial institutions.

With regard to the labor force, these investments are also likely to imply an improvement of average skills, which would necessitate the strengthening of the education system and training.

Box 2.2: Post MFA and entry of China in the WTO, their impact on the poor in Dhaka? A summary of the literature

The post-MFA situation is still evolving though it is clear that these changes will likely have an adverse impact on Bangladesh in general, and particularly on Dhaka. A summary of the literature points to the following strengths and weaknesses of the Bangladeshi garment sector.[35]

Favorable characteristics:

-*Bangladesh has a dynamic entrepreneurship, a cheap and skilled labor force.* Bangladesh has a considerable comparative advantage in the price of its manpower. Its labor cost in spinning and weaving is only 3 percent of that of the United States. Moreover, given different trade arrangements (but also a certain heterogeneity in the quality) the price of a shirt exported from Bangladesh to the EU is 2.9 euros *versus* 5.9 euros for export from China.[36] (Annex 2, Table A2.31)
-*Bangladesh has improved the quality of its products since the mid-eighties (* Dowlah, 1999).
-*Bangladesh has demonstrated a significant improvement in its "Revealed Comparative Advantage" (RCA) in the nineties in all garment products*, except for non-

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[35] Also see *End of MFA Quotas, Key Issues and Strategic Options for Bangladesh Readymade Garment Industry*, 2006, World Bank Report No. 34964.

[36] The literature has taken different approaches in dealing with the question of market shares. The most frequent approach has been the application of General Equilibrium Models, mainly through Global Trade Analysis Project (GTAP) either to simulate the impact of the China's entry into the WTO on developing countries (Gilbert and Wahl, 2000, Morrison. 2001 for a summary of CGE-based models and references) or to simulate the impact of MFA quota removal (see Walkenhorst, 2003 for a survey of quantitative studies).

knit men's outwear (Shafaeddin, 2004)[37]. Much of this is attributed to a lack of diversification and special agreements with the EU and the US.

-*Bangladesh has reduced its original dependence on imports for its intermediate inputs*. Although local net export earnings retained within the country from the RMG sector were only 23 percent of gross exports at the beginning of the 1990's, and reached 37 percent in 2000.

Less favorable characteristics:

-*The performance of the Bangladeshi RMG sector has strongly depended on favorable trade agreements*. The Bangladeshi exports to the EU have benefited from both GSP arrangements and the Lamy EBA agreement which permitted duty free access.[38] Bangladesh has also benefited from large quota allotments with the U.S.

-*Current rules of origin requirements penalize clothing producers of Bangladesh*. For a T-shirt to originate in Bangladesh under the EU's rules, it must either have undergone two stages of transformation there (from yarn to fabrics, and fabrics to clothing), or have used fabrics from other South Asian countries and added more value in Bangladesh than in any other contributing country (Oxfam, 2004). In reality, the usual value added at the assembly stage performed in Bangladesh only reaches 25-35 percent, which is low. Moreover, due to the weakness of indigenous cotton crop and underdeveloped capacity in spinning and weaving, Bangladesh uses fabric inputs from other developing countries.

-*As export quotas are less restrictive for Bangladesh than for China and India, Bangladesh will face comparatively greater competition from China and India under a quota free regime* (Islam, 2001 and Lips & al., 2003).[39] Bangladesh has free access to one of its most important export markets (the EU), thus further trade liberalization will worsen the Bangladeshi positions with respect to its competitors. In importing countries, a phase-out of export quotas will likely result in a drop in the prices of apparel from India and China more than that from Bangladesh.

-*Bangladesh's competitors also have low hourly wages*. China, India, Pakistan, Sri Lanka and Indonesia also have low labor costs in the clothing industry (Table A2.31).

-*Bangladesh and China have a very similar export structure* (Shafaeddin, 2004). This creates high competition, particularly in outer garments. (Annex 2, Table A2.31)

-*Bangladesh suffers from the weakness of its backward linkages*. Bangladesh still imports the majority of yarn and textile necessary to the garment industry. This implies very long lead times (120-150 days, in comparison with 12 days in India). Moreover, after the end of the MFA, prices of yarn and textiles may increase for Bangladesh if exporting countries redirect these products to their own garment industries.

-*Bangladesh garment sector suffers from internal problems*, such as inadequate infrastructure, and unreliable energy supplies, which contribute to high costs.

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[37] RCA is defined as the share of a specific product in total exports of a country relative to the share of the same product in world trade. A ratio exceeding unity indicates that the country has a comparative advantage in that product.

[38] The Everything But Arms (EBA) Initiative eliminated quotas and tariffs on all imports into the EU from the 49 least developed countries, with the exception of arms and munitions. EBA became effective in March 2001.

[39] Quotas are also less restrictive for Pakistan and Nepal.

iii. Development of Self Employment through Micro-credit

Previous sections have shown that in Dhaka about 33 percent of the labor force is self-employed. Most of them are men. (40 percent are men versus 16 percent women). This would indicate substantial demand for microcredit. There is also supporting literature on the positive impacts of micro-finance on poverty reduction. (Khandker, 2003)

It is estimated that some 19.3 million individuals received help from various micro-finance programs in 2004.[40] Much of the micro lending is done through four NGOs, Grameen Bank, BRAC, ASA and Proshika, which accounted for approximately 86 percent of micro-finance lending. Most micro-credit recipients are women (about 90 percent of borrowers), and live in rural areas (about 90 percent). It is only recently that the major micro-finance providers have begun to target the urban poor (e.g., BRAC, Proshika, ASA), and the coverage is still low. Grameen Bank continues its focus in rural areas.

Bangladesh has a relatively positive experience with microfinance in rural areas and is known globally for its successes. This has not, however, reached the same coverage in Dhaka and other urban areas. In the context of rapid urbanization, there appears to be substantial scope for reaching the urban poor including youth who may have difficulties entering the labor market.

V. Improving income earning opportunities for the poor

While rural migrants continue to come to Dhaka in search of employment, finding remunerative employment is a major challenge for the poor. Jobs tend to be low paying, and do not provide much security. To cope, additional household members, particularly women and children, enter the labor market to earn what they can. The prevalence of child labor is found to be particularly high amongst the poorest households.

Recent trends have shown that the growth of Dhaka's labor force is far from tapering off given the high rate of rural-urban migration. Simultaneously, the development of one of the main formal employment providers of Dhaka – the garment sector - is jeopardized by the MFA removal. In this context, the balance of Dhaka's labor market strongly depends on policy measures taken on the national scale. Among these are:

Implementing policies to encourage growth through diversifying manufacturing beyond the RMG sector. Some of the areas that hold potential for strengthening Dhaka's labor market include food processing, assembly industries such as electronic goods, toys, construction, etc. and in the services sector, the development of data processing and telecommunication both for domestic and export markets.

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[40] *The Economics and Governance of NGOs in Bangladesh,* 2005, World Bank.

Investing in infrastructure. Firms in Dhaka and Chittagong interviewed in a recent investment climate survey rank electricity supply as a major battlement to doing business and to growth.[41] Poor water supply and traffic congestion are also major constraints to growth in Dhaka. In addition, access to land was also mentioned as a severe expansion bottleneck for 40 percent of firms interviewed in Dhaka (see Chapter 3). There are signs of some firms moving outside of Dhaka which has the potential for addressing the land constraint, though such a transition on a larger scale will be dependent on adequate infrastructure and the availability of skilled labor.

Improving skills of workers. There is substantial international evidence that investments in education and training can raise productivity and increase the income earning potential of the poor. Education levels for the urban poor remain low relative to other countries, and thus providing affordable options could have huge benefits.

Increasing access to credit. On a smaller scale, the expansion of the access to credit by poor urban households should also be an important policy focus. Many NGOs and Micro Finance Institutions in Bangladesh have extensive experience in rural areas which could be implemented in Dhaka and other urban areas. This could play a significant role in financing employment creation by new micro-enterprises and in helping the urban poor to develop new income generating opportunities.

Expanding access to child care programs. There is also potential scope for facilitating increases in female labor force participation through access to child care. Evidence from other countries has shown that access to child care through NGO or Government facilities can allow women the flexibility to enter the labor market, ultimately increasing household income.

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[41] See Lall, 2005. The Survey was carried out by the Bangladesh Enterprise Institute and contains 1001 firms in Dhaka and Chittagong.

CHAPTER 3: SHELTER FOR THE POOR

The city's poor live in rudimentary housing, and only one-in-twenty live in permanent housing. Rents are high, living space is crowded, and the provision of amenities, while difficult to measure with any precision, is almost certainly low given the temporary nature of most housing. Conditions that are already bad appear to be getting worse as rents continue to rise and migration to the city continues.

Dhaka's rapid growth, large size, topography, environmental conditions, and problems of governance exacerbate already complex land and housing issues for the poor. The number of slum dwellers is projected to grow to 8 million over the next decade. With this growth, policy makers will need to address land and housing as a top priority.

This chapter covers the main land and housing policy issues in Dhaka, with a focus on the effects these policies have on the poor. Section I covers the main policy issues of land and housing prices, the national housing policy, and institutional roles. Section II presents main policy constraints and Section III outlines recommendations aimed at improving the functioning of these markets. A major constraint in the analysis is the scarcity of recent data on land ownership, rents, prices, and the supply of various basic amenities. This lack of information is due largely to the informal nature of urban developments in Dhaka. It is also consistent with the almost complete absence of government in the operation of housing and land markets in the city, even in enforcing basic property rights. Given the paucity of recent data the paper has relied on empirical reference points that are somewhat dated, complemented with assessments and observations by Bangladeshi experts and market participants. Updating the information base would be very useful in deepening the analysis of these issues.[42]

I. Background

A. A Fast Growing, Poor Megacity

Dhaka is known as one of the fastest growing cities of the world. Its growth has been particularly rapid since 1972, after its transformation from a provincial capital to the national capital of the newly independent country, Bangladesh. The average annual growth rate of the city's population was 6 percent during the 1974-2001 period. Rural to urban migration remained the most dominant factor of the population growth, but natural increase was also high.

Dhaka (or Greater Dhaka) emerged definitively as a mega-city in the new millennium. It is currently the 11th most populous city in the world with over 12 million people and is projected to move up to the 6th position with 18.4 million people in 2010

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[42] For example, financing surveys of living conditions of the urban poor, such as the one undertaken in 1995 for the Study of Urban Poverty in Bangladesh by the Centre for Urban Studies (Islam, 1997) would be a very high return investment. Collecting data on public housing programs run by the various public agencies and consolidating them would also be worthwhile.

(UN, World Urbanization Prospects, 1999), with only Tokyo, Mumbai, Lagos, Sao Paolo and Mexico City being larger. The projected population size for 2010 and 2016 respectively, has been estimated at 9 million and 10 million for the Dhaka City Corporation (DCC) area, and 14.88 million and 18.00 million for the Dhaka Metropolitan Development Plan (DMDP) area (Table 3.1).

Table 3.1: Urban Population and Poor Population in DCC and DMDP

	Territorial Limit	2001	2004 (est.)	2010 (proj.)	2016 (proj.)
Urban Population	DCC (million)	5.90	7.50	9.00	10.00
	Rate of growth (%)	(4.0)	(3.5)	(3.5)	2.50
	DMDP (million)	10.50	12.00	14.88	18.00
	Rate of growth (%)	(3.5)	(4.25)	(4.00)	3.50
Urban Poor	DCC (million)	2.66	3.37	//	//
	Share of population (%)	(45.0)	(45.0)	//	//
	Rate of growth (%)	4.5	4.0	//	//
	DMDP (million)	4.73	5.40	//	//
	Share or population (%)	(45.0)	(40.0)	//	//
	Rate of growth (%)	4.0	4.0	//	//

Source: Islam (2004)

Can Dhaka sustain such a growth rate in the future? Dhaka is the focus of most of the country's political, administration, economic and social attention. Dhaka's primacy is still on the rise, both in terms of population and in functional terms. It is the most centrally located and most accessible city of the country. With a large national population (140 million in 2004) still growing rapidly and still predominantly rural, the population pressure on the primate city remains very high and appears likely to continue.

The city also concentrates private investments in key sectors. For example, 80 percent of the garment industry, which accounts for 80 percent of all exports and employs about 2 million people in the country, is located in Dhaka. Experts also mention the fact that public spending and investment (in particular, in health and education facilities), and public policy decisions have traditionally been skewed in favor of Dhaka over other large or medium-sized cities since the independence of Bangladesh. The concentration of investment and decision-making power in Dhaka, in turns, appears to fuel the on-going high rates of migration to the City. But, little empirical information or analysis is available on why this trend does not follow a self-correcting pattern in which the high prices and congestion in Dhaka make other cities more attractive investment and hence job locations.

The continued growth of Dhaka can eventually lead to negative implications for economic growth and poverty reduction.[43] Empirical evidence shows that very large

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[43] Many local experts believe that the city's poverty problems cannot be addressed unless its growth rate is reduced and would favor programs attempting to subsidize recent migrants to leave the city which have been periodically implemented. While the city's growth rate is unusually high, the international experience

population concentrations may have adverse effects on growth (Henderson, 2000), [44] and are generally driven by a set of broader policies that lead to corruption and less equitable growth (Glaeser, 1999). [45]

B. High Land Prices Have Excluded the Poor from Ownership of Land and Housing

Housing Prices. Residential land values in prime locations of Dhaka range between US $ 30 and $ 60 per square foot, similar to prices reported in other regional cities such as Hyderabad, Kuala Lumpur or New Delhi. [46] Nevertheless, land prices are high compared to those found in developed countries. For example, areas in the US where land prices exceed $60 per square foot are rare (Housing finance in Bangladesh, World Bank, 2004).

These prices make it impossible for the poor to purchase land in the open market within the DCC area. The cheapest ready-to-build plot within DCC is priced at Tk. 500,000 per katha (i.e., 720 square foot lot) or US $ 12 per square foot. Normally RAJUK does not grant building permission on lots smaller than 1050 square foot. This would cost Tk. 729,000 (US $ 12,600), which is equivalent to nearly 20 years of income for an average poor household (Tk. 3000 per month). The cost of housing would be additional. In any case, such small lots are hardly available in the open market, and only rarely supplied by the government in a subsidized market. Consequently, it is estimated that 97 percent of the urban poor in the city do not own any land. [47]

New Housing. With regard to the types of new housing produced, formal sector private developers generally serve only the upper and middle income groups. Even their "lower cost" housing products sell for approximately 1 million Takas (US $ 17,000). With a 50 percent down-payment and under current credit conditions, the unit can be repaid with monthly payments of Tk. 5,000. Under an already high payment-to-income ceiling of one-third, the required minimum income of the household would be of Tk. 15,000, which means that only those in the top 30 percent of the distribution of income in Dhaka could afford to purchase new housing. Thus, formal, industrially developed units are unaffordable not only to the poor, but to the vast majority of the population.

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is that subsidy programs designed to induce out-migrations from cities are rarely effective. More fundamental incentives are at work.

[44] The literature on the relation between economic growth and urban concentration suggest that national resources can be squandered due to excessive concentration of population and investments in one city (Henderson 2000). Excessive primacy often leads to a decrease of competition among cities to attract investments, increasing commuting, congestion, and living and production costs to excessive levels. It also leads to increases in costs of land, housing and urban services, and decreases in productivity of businesses and quality of urban services. Thus, economic growth is impacted negatively.

[45] See Lall, 2005 for a discussion of this and simulations for the Bangladesh context.

[46] 2003 by Seraj and Afrin.

[47] In a study for the Government of Bangladesh and ADB in 1995, Islam et al. found that only 3.2 percent of the urban poor in Dhaka owned the plot of land on which their dwelling unit was located.

Existing Housing. It is estimated that less than 20 percent of the poor of Dhaka are owners. The last statistical survey, conducted in 1995 (Islam et. *al*, 1997) found that 16 percent of the poor in Dhaka were owners; 56 percent were tenants; 8 percent were rent free dwellers, and nearly 20 percent were squatters or illegal occupants (Table 3.2). The low ownership rate in Dhaka stands in contrast with comparable Indian cities such as Delhi or Bombay,[48] and with cities of other regions such as the Middle East and North Africa or Latin America where ownership of the dwelling is by far the dominant status even for the poor.

Table 3.2: Housing Tenure of the Urban Poor, 1995

	Dhaka			All Urban		
	Hardcore poor (%)	Moderately poor (%)	All poor	Hardcore poor (%)	Moderately poor (%)	All poor
Owner	16.4	16.2	16.3	28.8	25.5	27.7
Tenant in private house	42.4	49.6	45.4	45.6	48.4	46.6
Government tenant	5.6	5.2	5.4	5.0	7.6	5.9
Sub tenant	5.2	5.7	5.4	3.0	5.5	3.2
Rent-free	9.3	5.7	7.8	7.6	5.2	6.8
Illegal	20.2	16.1	18.5	9.5	8.8	9.3
Others	0.9	1.5	1.1	0.5	1.1	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Islam, et. al, 1997

Housing Quality. Access to housing for the poor in DCC is mainly limited to private slums and squatter settlements.[49] Only 5 percent of the poor of Dhaka in the 1995 study lived in permanent or pucca houses, 22 percent lived in semi pucca houses, 41 percent in temporary units and another 32 percent in rudimentary kutcha units or jhupris (Islam et. al, 1997).

Slums: Estimates and Definitions. Slums (*Bastees*), are substandard housing built on privately owned land. Squatter settlements (or *Bastuhara colonies*) are substandard housing built illegally on publicly owned land, including railway tracks. A third category comprises the sites of the homeless / pavement dwellers (*Bhashaman Janogosthi*), estimated at around 120,000. The recent mapping of slum settlements (Chapter 1), shows that slums are located all around the City. The share of private slums is thought to have been increasing over time because of the rapid increase of the city limits, and because evictions from government land have limited the growth of squatter settlements.

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[48] Although no directly comparable statistics are available, the ownership rates among households living in one -room dwellings, which is a proxy for the poorest groups of the population, were 47 percent and 59 percent in Delhi and Bombay respectively, and higher for larger dwellings (http://www.indiastat.com/).
[49] A large number of the poor (such as household workers, drivers, security guards etc.) live as part of the middle class or upper class households and as such benefit from almost all utilities and urban services.

In comparison to other cities in the region (India), the proportion of slum dwellers (in the broader sense) in Dhaka is similar to Kolkata, less than in Mumbai, and greater than in three other major Indian cities, Delhi, Chennai, and Bangalore (Figure 3.1).

Figure 3.1: Estimated proportion of population living in slums in Indian cities and Dhaka
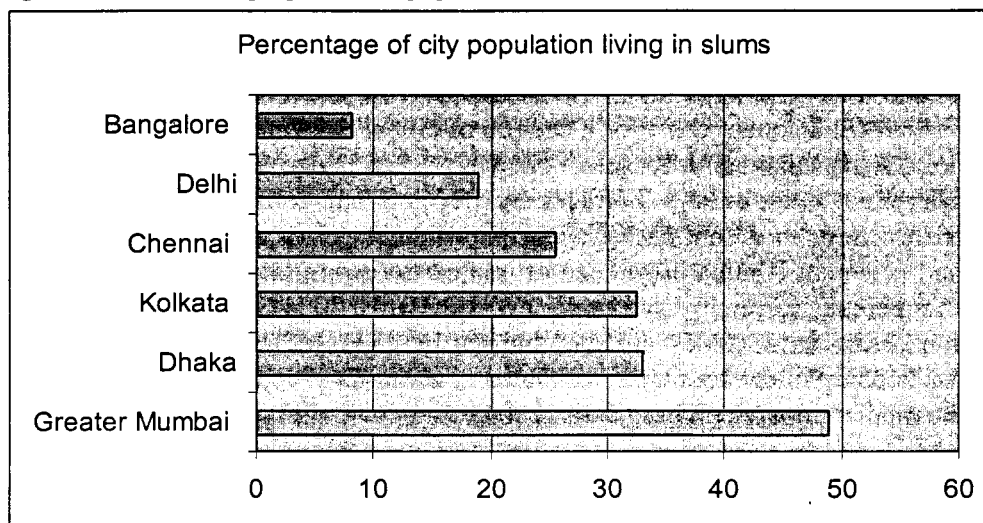
Source: For Indian cities, Indiastat. For Dhaka : Islam (2004).

Housing Rent Levels. In private slums and 'mess' units the poor pay regular rent to a landlord or home owner. In the case of squatter settlements, occupants generally have to pay "tolls" to mastaans (musclemen) and agents of employees of the land owning authorities. Rents in the private slums are reported to be high. Islam (1985) found that slums dwellers in Dhaka City were paying higher rent per square meter than non-slum households, even though the latter usually benefited from a much better physical environment and level of services. Typical rents today would be around Tk. 500 for a single person, Tk. 1000 or Tk. 1,500 for a family. Many poor households pay up to Tk. 1500 (US $ 26) for a small (less than 10 square meters) two-room unit in slums with water, electricity, latrine and gas. This spending accounts for approximately 14 percent of the poor's household budget (HIES, 2001). This figure is considerably higher than that observed in large Indian cities where the average urban household spends 7 percent of their income on housing, even in high cost locations such as the state of Maharasthra where Mumbai is located. As a consequence of tight budget constraints and relatively high rents, the poor in Dhaka usually live in very small accommodations (2 or 3 square meters per person similar to the situation in Mumbai).

II. Main policy constraints

A. Unresponsiveness to price signals for a large portion of the land in the city

The very high level of land prices is the major constraint of urban policies in Dhaka. Land prices appear to be comparable to those in suburban New York, whereas the average income of Dhaka residents is a hundred times lower. For example, the Bangladesh Institute of Planners estimates that land in Dhanmondi, the most expensive

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area in Dhaka, is Tk. 3,500/square foot or roughly $60. Similarly, land in Gulshan is priced at Tk. 3,194/square foot and Baridhara at Tk. 3,000/square foot. Even more remarkable is that land in the least expensive residential areas in Dhaka, is valued at Tk. 1,600, around $27 per square foot. These areas include Uttara, Pallabi, and Shyamali, which are on the periphery of the city.

In comparison, land prices in most cities of the United States are much lower.[50] In a study of land and housing costs in US cities, Glaeser and Gyorko (2003) report the following prices (in $/square foot) for a sample of cities: Boston $13.10; Chicago $14.5; Los Angeles $30.4; Miami $11.1; New York $32.3; San Diego $26; San Francisco $64. These prices reflect a mix of land shortages and development constraints (land use zoning regulation), but only in a few cases is developed land priced higher than in parts of Dhaka. Land prices in Khulna have been estimated to be similar to those in Dhaka, and are about 15 percent lower in Chittagong (World Bank, 2004). In any case across the metropolitan areas, land values are extraordinarily high. In fact, the least expensive middle class housing in the country is estimated at about Tk. 700,000, which is more than 10 times the median income (World Bank, 2004).

The main reason for such high land prices is topographical, resulting in land supply constraints. Because of the city's location there is a real scarcity of developable land, which is reflected in the very high density of Dhaka (20,000 persons per square kilometer, and up to 100,000 in some areas of the city). Dhaka is situated in a flood plain and surrounded by rivers which periodically flood the lowlands around the city. The local topographical configuration led to a city development following a north-south pattern, rather than as a circle, as shown in Map 2. Most of the high lands immune to flood are already built. Newly developed areas are built on the flood plain by progressive filling.

This real scarcity is compounded by an artificial scarcity, stemming primarily from the lack of utilization of public land within the city. Large amounts of public land in central Dhaka remain undeveloped. Government–owned land (called Khas) is now scarce (at most 1500 ha, but only 430 would be free of occupation today). Other locations are occupied by Government-related activities with very little or no use for construction (this is the case of the Tejgaon airport, the military cantonment, and land tracks left for future construction of public buildings). This may characterize as much as 20 percent of the land in the inner city area as shown in Map 2. Other areas, also centrally located, such as the public housing stock are developed at very low densities given the land prices.

Finally, there is a gap between technically usable land and formally usable land. The latter is defined by RAJUK master plans. The current approach is obsolete, resulting in areas potentially developable for residential use being not zoned as such.

A consequence of this scarcity of formal serviced land has been the development of the city almost entirely by the informal sector over the last 20 years. As shown in Maps 1 and 2, most of the new urbanization in the last 20 years has occurred at the

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[50] Also consider that per capita GDP in the United States on a PPP basis is 20 times that of Bangladesh.

margin of the city, with little or no attention paid to planning regulations or any planning enforcement.[51]

This dominance of the informal delivery systems over the formal system is also highlighted by a breakdown of the housing stock into sub-categories. The informal sector is estimated to have produced 85 percent of the 1.0 million housing units in the DCC/DMA area (Table 3.3). While self-construction accounts for half of the total stock, slums and squatter settlements represent the other 35 percent of it. By contrast, the public sector's contribution to the housing system in Dhaka has been around 100,000, while that of the formal private sector (real estate companies or developers) has been estimated to account for around 48,000. The contribution of the cooperative sector is very small, probably less than 2000 units. Thus, the total formal sector contribution to housing in Dhaka would be only about 150,000 units, or about 15 percent of all units in the central city or DCC/DMA area.

Table 3.3: Relative importance of Housing Delivery Sub-Sectors in Dhaka

	Sub-sector	Number of Units in DCC/DMA
Formal Sector	Public housing	100,000
	Private Housing	48,000
	Cooperative	2,000
	Total Formal Sector	**150,000**
Informal Sector	Private Housing	500,000
	Slums	200,000
	Squatter Settlements	150,000
	Total Informal Sector	**850,000**
	Total	**1,000,000**

Source: Estimates from Islam, 2004

B. An enabling housing policy without enablers

i. The national Housing Policy

In 1993, the Government of Bangladesh approved a National Housing Policy which was updated in 1999 and once again in 2004. The Policy describes the role of the government in the housing sector as that of a "facilitator" or "enabler" rather than as a "provider." This means its role is to increase access to land, infrastructure services and credit; to ensure availability of building materials at a reasonable price especially for the low and middle income groups; and to create and promote housing finance institutions. Actual construction of housing is to be left to private sector developers, private individuals, and NGOs (GOB, 2004).

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[51] Other problems relate to land titling, the registration of real estate property, and the coexistence of different forms of land ownership. As these issues have been developed elsewhere (Syed Mynuddin Hussain, 2004), this paper does not elaborate on them.

Figure 3.1: Map of Land Use in Dhaka City, 1984

Source : Salma Shafi (1992).

Figure 3.2: Map of Land Use in Dhaka City, 2004

Source : Salma Shafi (2004).

The policy calls for special consideration for improvement of low income settlements and slums and squatters. It has clear recommendations in support of ensuring proper rehabilitation in cases of slum eviction. The policy also makes statements on strategies for improving land supply, infrastructure, building materials on technology, housing finance institutions, legal and regulatory frameworks and institutional arrangements. Finally, it also recommends the formation of a National Housing Council and a National Housing Authority (NHA) in order to implement the policy objectives and programs of the government. The latter has been formed but not the Council. The stated policy approach appears to be sound and is consistent with the recommendations made in the World Bank's Housing Policy Paper: Enabling Markets to Work (1993). Nevertheless, important aspects of it are not implemented.

ii. Continuing Slum Evictions without Resettlement

Eviction of squatters from public land has been a continuing practice of the government policy. Annex 3 has a list of all evictions that have taken place in Dhaka since 1975, estimated at around 135. While the number of slum dwellers evicted in each case is not known, the list clearly shows that evictions have not slowed down since the adoption of the National Housing Policy. The 2004 large scale eviction in Agargaon affected an estimated 40,000 slum dwellers.

Evictions from squatted public land often occur without resettlement plans. As a result, evicted households, some of whom have lived for more than 20 years in the same settlements, have little choice but to join the cohorts of new migrants to the city on the urban fringe. This movement in turn fuels the process of land filling and land grabbing.

The systematic filling of the water retention ponds within the city area makes it more prone to flooding. Squatted areas rarely upgrade, because the threat of eviction impedes investment in houses.[52] Thus, in the long run, the absence of a relocation policy results in an implicit status quo development strategy for the city as a whole, which presents high environmental risks.

iii. Fragmented and mis-targeted public interventions in housing

The roles of the main public actors intervening in the housing sector are not clear. Those involved include the planning agency RAJUK, the National Housing Authority (NHA), the Urban Development Directorate, and the Public Works Department of the Ministry of Housing.[53] The NHA has jurisdiction over all Bangladesh, issued the National Housing Policy, and is supposed to be responsible for its implementation. It does not, however, have specific means for enforcing the policy. The NHA also manages

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[52] While the squatter settlements are obvious examples of the effect of uncertainty of property right on investment in housing, the same phenomenon is also mentioned for public-private partnerships in housing, where the Government wants to recover the land after a certain number of years and entertains uncertainty about the exact nature of rights on the land, deterring investment by the private sector.

[53] Other players include the Ministry of Land, which owns public land all over the country, and the Prime Minister's office, which directly manage some habitat projects all over Bangladesh.

housing projects. By contrast, RAJUK's jurisdiction covers only the Dhaka Metropolitan Area, and RAJUK's mission has never been to provide housing for the poor (Annex 3, Box A3.2).

In Dhaka, the division between the interventions of all these actors appears to be based largely on a geographical basis, determined by the holdings of land acquired by them at different points in time. Precise data on the extent and composition of public housing programs are lacking though public housing programs serve only a very small fraction (less than 10 percent) of new housing demand.[54]

Few if any of the public housing programs are targeted to the poor. RAJUK has been known to provide serviced lots of a minimal size (100 square meters -1.5 khatas), which given land prices in the city makes them totally unaffordable for poor households.[55] The Land Ministry is currently working on a project "for the poor and landless," consisting of 15,000 small flats in high-rise buildings. Considering the costs of finished flat units, there is little chance that the officially-targeted households will be able to pay for them. Thus, units built through public programs are likely to be bought by (lower) middle income households, unless very generous subsidies – amounting to several times the annual income of beneficiaries – are delivered to a small share of the population that can be served. Such programs operate more like lottery schemes than housing assistance.

In conclusion, little has been achieved in terms of the implementation of the National Housing Policy. Property rights have not been assured. Public interventions have been fragmented, have not targeted the poor, are based on unworkable design standards, and are not coordinated. The current policy environment is not one in which additional public resources will necessarily benefit the poor. Improving the housing conditions of the urban poor will require substantial policy reforms.

Box 3.1: Slum Improvement/Upgrading Programs of the National Government

The Government of Bangladesh began implementing upgrading program in urban slums in the mid eighties with UNICEF. This program has been active in some 25 cities, including Dhaka. Originally the program had a strong physical component like improvement of drains and sanitation. It had no housing component. Later the World Bank, the ADB and major NGOs like CARE supported some slum improvement programs. None in Dhaka (DMDP area) however, has any housing component. All programs together have made very little impact on improvement of slums in Dhaka, due to the massive scale of the problem.

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[54] According to experts, the only occurrence of land being given to the poor on a large scale was in 1975, when 250,000 squatters were evicted from public land. 75,000 were relocated in Tongi, Mirpur, and Dembra. Those areas are now further developed and part of the modern city.

[55] For example, plots serviced by RAJUK in the new town of Purbachal, presently being developed beyond the Balu river in the east of Dhaka, will be of 3,000 square feet on average.

Dhaka City Corporation itself established its own Slum Improvement Department in the early 90s, but fund allocations to this department has always been very small, although over 1/3rd of DCC's population lives in slums.

The NHA is the new form of the former Housing and Settlements Directorate. The latter agency managed some housing programs after the partition, mainly for displaced people coming from India. The NHA, established in 2001, has been implementing some small projects for the low income families and is now trying to help a private company to implement a resettlement project in multi storied buildings in Mirpur, Dhaka.

C. Failures of coordination and services at the local level

At the local level, the lack of coordination between all actors intervening in the housing sector is mentioned by Bangladeshi experts and international reviews as the source of multiple inefficiencies.[56] Concrete manifestations of the lack of coordination are the absence of planning enforcement, lack of services and infrastructure, and inadequate timing in land and housing project developments which causes disruption of services (Sarker, 2004).

Among the causes of this lack of coordination is the limited role that the Dhaka City Corporation (DCC) plays in urban management. DCC does not manage planning, does not decide on the use of public land located within the city, and has no power over the public utility companies within its jurisdiction. While a precise census would be necessary, figures quoted range from 16 to 40 different institutions intervening at one stage or another in urban matters in Dhaka.

Purely land related issues such as land records and land transfers are dealt with by the Ministry of Land and Deputy Commissioner of Settlements under the Ministry of Works. Housing related issues are managed by the National Housing Authority and RAJUK. The Dhaka City Corporation (or other Municipal Authorities within DMDP area) is responsible for housing or property tax collection. The Department of Environment has the responsibility of controlling environmental regulation as these affect land and housing development. The utility service authorities like Dhaka Water and Sewerage Authority (DWASA), Dhaka Electricity Supply Authority (DESA) and Titas Gas Company are each responsible for providing their respective services to the households requiring these. The Dhaka City Corporation and the other Municipalities provide conservancy services. There are several other agencies involved in housing development.

The performance of the Dhaka Development Agency, RAJUK, officially in charge of planning, planning enforcement, delivery of building permits, and land

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[56] Islam, 1999

servicing, is also a major cause of inefficiency. A review of the role of RAJUK would be a top priority for policy reform.

Some progress seems to have been achieved recently in the coordination process, however. Two years ago, a new Committee for Urban Development was created, to solve the main problems of coordination among urban actors in Dhaka.[57] The Committee is chaired by the Principal Secretary to the Prime Minister. The role of the Committee, however, has been in solving day-to-day problems, not in setting a medium or long-term vision for the development of Dhaka.

A major consequence of the lack of governance and accountability concerns access to utilities. In response to the unavailability of services such as electricity by formal means in the illegally built zones, parallel systems for accessing utilities develop.[58] As discussed in Chapter 4, *maastans* often arrange delivery of services to the illegal area with the utility companies. Utilities are then sold back to resident renters at high prices. The resources generated are shared between the middlemen, bribed utility company employees, and government officials. As a result, not only can the utility companies not cover their costs, but the poor end up paying higher prices for services than the non-poor.

D. The limited role of NGOs in housing for urban poor

NGOs and microfinance institutions have been impressively present in rural Bangladesh for at least two decades, and have achieved international recognition as effective and transparent pro-poor institutions. Some of them, such as Grameen Bank, have devoted significant resources to housing programs. Grameen has made more than 600,000 housing loans in rural areas in Bangladesh. However, NGOs have not been intensively involved in housing programs in Dhaka City. Some NGOs are confined by their charters to work in rural areas (Grameen).[59] Others work in urban areas, but have prioritized income generating activities as a main focus.[60]

The very high land prices in Dhaka are cited as a main reason for this limited involvement. They preclude replication of rural interventions in housing of the Grameen type, in which no land cost is covered and housing loans are given to households having already a piece of land, or to homeowners for home improvements.[61]

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[57] For example, it is this group which enforced local participation into the drafting of Detailed Areas Maps prepared by RAJUK.

[58] Units built without title or building permit cannot in theory have access to utilities.

[59] The present charter of Grameen forbids its direct involvement in urban areas. It helps other NGOs (such as Shoptika or PKSF) to operate in Dhaka. Grameen is presently seeking to have its charter revised to be able to operate in urban areas.

[60] For example, BRAC activities in urban areas include income generating activities micro finance; health care (tuberculosis control program in partnership with the Government); Micro enterprise lending programs; a pilot program for rickshaw pullers sponsored by the World Bank; and a pilot program for retrenched garment workers.

[61] The order of magnitude of the loan would be Tk. 10,000 (US $ 170), paid back in 10 years. This corresponds to monthly payments of around Tk.240 (US $ 4), that is, 20 times less than the loan for a

NGOs also find working in Dhaka high risk. The threat of eviction, legal complications related to land ownership, the ability of middlemen to extract rent from the poor, and the lack of credibility of the Government's commitment, render investments in those areas intrinsically too risky.

While NGO involvement in housing programs has been limited, some interesting projects do exist that could potentially be scaled up. A promising approach to providing shelter solutions to the poor is the type of projects run by Nari Uddyog Kendra (NUK), which has arranged rental accommodation in dormitories for female garment workers. NUK offers a comprehensive and cost-effective hostel model. Recently, BRAC has also engaged in similar types of projects, with the support of the government. Those projects offer affordable solutions for the poor, particularly single women.[62]

Box 3.2: NGO programs targeted to poor renters

Currently NUK is operating three Hostel and Development Centre for women garment workers in Dhaka city with 600 seat-capacity, and two Student Hostels with 150 seat capacity in Dhaka and Mymensingh. All the hostels are operating on a non-profit basis in hired premises.

Recently, BRAC also engaged in this activity and "Grihayan Tahabeel" (Housing Fund) of the Government of Bangladesh, administered through Bangladesh Bank, approved Tk 100 million to BRAC for building hostels for 2,500 women workers of garment factories in Uttara, Dhaka with 1 percent interest, repayable in 20 years.

BRAC has another program centered on housing, targeted at single women renters. BRAC staff act as middlemen between landlords and single women who otherwise would not be able to find a place to live. They lend Tk. 5000 to cover the upfront costs of rental (3-4 months of rent as a security deposit). The woman will then be able to mobilize her own social network and sublet rooms or space to other women, which will provide a source of income to repay the loan.

III. Improving Shelter Conditions for the Urban Poor

Dhaka's rapid growth is likely to continue and thus understanding the factors and policies that contribute to this growth will help to shape the future. Main challenges facing Dhaka in the next years with regard to land and housing for the poor are: coping with a sustained arrival of poor migrants, adopting more proactive planning policies to

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formal unit described above. This gives a sense of the gap between the reach of formal, developer-built housing solutions, and low-income housing.

[62] According to a number of Bangladeshi observers, single woman in Bangladesh is likely to suffer discrimination on a number of fronts. In particular, they have a hard time finding an accommodation, are subject to all kind of abuse and as such constitute a privileged target of the NGOs.

address the environmental risks, finding a way to enforce property rights so that land grabbing does not take place, ensuring that any eviction from public or private property is done in a way that recognizes the rights of those affected; and improving the accountability of the public sector as a whole in the delivery of basic services.

No program of reforms seems likely to gain momentum until the Government's commitment to honor basic property rights with respect to land and housing is credible. This credibility is difficult to achieve in a market where land and housing prices are unaffordable for most of the population. In the current context, the uncertainty of property rights, the perceived corruption and inefficiencies of public institutions in the sector, and the weakness of the local government constitute significant impediments to the functioning of the housing market. They also impede further involvement of NGOs and the private sector in the delivery of urban services for the poor. In particular, unless actions are taken to mend the institutional setting described in the above sections, projects of city extension to the east (Dhaka Eastern Bypass) can only result in the same deficiencies as those which are witnessed as an on-going process in the city.

Recognizing that a number of basic policy changes are necessary, main reforms are needed in the policy and institutional framework. Some of the proposed changes will take a considerable amount of time to be implemented, but would result in a more effective and enabling policy environment, ultimately contributing to improvements in shelter conditions for the urban poor. Among these are:

Implementing the National Housing Policy. This is a priority for any sustainable improvements for Dhaka's poor. A key element of this policy is in the enforcement of basic property rights. Destruction of squatter settlements should be limited to necessary actions of redevelopment or infrastructure building and should be accompanied by relocation plans for evicted squatters.

Strengthening public institutions to implement the National Housing Policy. Much stronger and more credible public institutions are needed for this enabling strategy to work. The multiplicity of public agencies intervening in housing programs is inefficient and could be reduced with each agency having clear roles and responsibilities, operating under the umbrella of the National Housing Policy. If the National Housing Authority continues to be the overseer of the National Housing Strategy, it would be more effective if they focus on a policy and regulatory role rather than implementing housing projects.

Developing mechanisms for better accountability for land use and better coordination of services in the city. A first step would be undertaking an inventory of public land belonging to different ministries and agencies within the city. This inventory could be the basis for a strategic plan for public land use in the future. Vacant public land in excess of critical city needs could be released on the market. Solutions for promoting housing upgrading and investment on squatted tracks of public land could include giving proper titles to long-term residents with programs targeted to low income households.

Promoting coordination between DCC, RAJUK- the planning authority, line ministries and utility agencies in urban projects in Dhaka. While *ad hoc* committees can be a viable short or medium-term solution to coordination problems, in the long run, the Dhaka City Corporation should be given more means to achieve pro-poor goals. This long-term goal should be explicitly linked to any progress in the decentralization process in the country.

Strengthening the performance of RAJUK. A full reform of RAJUK is needed. This could be based on the separation of the multiple functions it now exerts (planning, planning enforcement, land servicing, and housing projects), which generate conflicts of interest and are not implemented efficiently at present.

- Planning functions should ultimately depend on the local governments concerned, and could be assumed by a body gathering Dhaka City and the municipalities within the current RAJUK jurisdiction (5 municipalities). Intra-city planning in Dhaka should be reinforced and DCC given increased planning authority within its boundaries.

- Planning enforcement should be given to another body to avoid conflicts of interest. Within DCC it should be done by the technical services of the city. By the same token it should be given adequate means and manpower.

- The private sector should be allowed to compete on level ground for land servicing though there is room for a public land services, and the right of eminent domain for public utility projects. The rights of owners, however, have to be better protected (revise the current procedure for power of eminent domain and make it fair and transparent).

- Construction of housing units for medium or high income households should be left to the private sector. Low-income housing projects could be done by a specific entity, but RAJUK is not the best candidate since its mandate was never focused on the poor.

Initiating pilot projects in poor areas in partnership with NGOs. NGOs have not been active in the housing sector due to perceived risks. However, NGO programs such as NUK's projects of dormitories for female garment workers, BRAC's program for poor renters have worked well. It would be useful to foster the piloting of additional programs aimed at improving land and housing conditions for the poor with careful monitoring and evaluation so they can be scaled up over time.

Other potential partners include Dhaka City Corporation and utility companies. DCC officials seem eager to do something for the poor; however, the DCC owns very little land in the city. A pilot project could focus on the upgrading of the semi-slums in the 4th class city workers quarters around the city. Dhaka Water Supply and Sewerage Authority (DWASA) has 4,000 acres of land of its own surrounding water plants, in which WASA employees could be housed. However, most of the land has been squatted

over time. More broadly, there are 500,000 public employees in Dhaka city, most of which live in slums, which could be the target of pilot projects run by DCC.

Improving legal and regulatory framework. From existing material and discussion with experts, there is clear scope for efficiency gains in the land and housing markets, due to constraints caused by the existing laws and regulations applying to zoning, land subdivision, and building. In a first stage, it is worth examining possible "quick gains" which could arise from the removal of well-identified constraints which increase the cost of formality and reduce the fluidity of the housing market. Those include:

- Suppressing of minimum lot size for land subdivisions;
- Allowing for the possibility of bringing utilities to housing units built without title / building permit;
- Lowering registration fees for land;
- Lowering transfer fees for land and housing;
- Reviewing of the existing regulations, with the aim of removing the main obstacles to the smooth functioning of the market.

CHAPTER 4: THE CHALLENGES OF SERVICE DELIVERY FOR DHAKA'S POOR

The provision of services in Dhaka is an enormous challenge particularly in light of its rapid growth. There are severe deficiencies in both access and quality, particularly for the poor. Delivery systems are complex, inefficient and non-transparent with many households paying bribes to ensure services.[63]

The poor are particularly vulnerable as many service providers do not work in slum areas. Access to health, education, power, water supply, sanitation and waste disposal is limited for the urban poor. For those services that do exist, the quality is low, and costs can be prohibitive. With Dhaka's rapid growth, there is an urgent need to find sustainable solutions to meet the basic needs of the population.

This chapter focuses on the current challenges of service delivery for the poor in Dhaka, and the range of constraints faced by service providers. Information is drawn from in-depth structured interviews with approximately 20 representatives from Government, NGOs and Donors working in the field of service delivery to the urban poor.[64] A full review of service delivery for each sector is beyond the scope of this study, though is recommended for future research.

I. The Current Situation

Bangladesh's Constitution states that the Government of Bangladesh is responsible for creating an environment for its citizens that allows them to improve their quality of life through access to health, education and other basic services. The country does not, however, have an explicit policy on urbanization and urban poverty. Without a policy framework, there is no mandate or priority given to dealing with the problem.

Furthermore, two common perspectives among policy makers affect decision making with regard to the urban poor. First, it is assumed that providing access to basic services such as health care, education, sanitation and water supply to squatter settlements will result in increased migration. Second, is the perception that the urban population is better off than the rural population. Consequently, urban poor and slums have received limited attention from the donors, NGOs and Government agencies until .recently.

The services that do exist are delivered by a mix of Government, NGOs, donors, and private individuals (*mastaans*) who often use illegal methods. These services are limited, and generally perceived to be of low quality. An extensive study on urban service delivery carried out in 2002 looked at user's satisfaction in four cities including Dhaka.[65] Overall, less than 20 percent of the households surveyed are satisfied with eight

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[63] World Bank, 2002, *Improving Governance for Service Delivery.*

[64] See Background paper for list of interviews.

[65] World Bank, Proshika, and Survey and Research System, 2002, *Bangladesh Urban Service Delivery, A Score Card.*

out of eleven surveyed services. Among poor households in Dhaka, less than 5 percent were satisfied with 7 basic services, and only 16 and 17 percent were satisfied with education and health care, respectively.

A. Basic Services

Education. The right to education in Bangladesh is written into the Constitution, a right for all children to receive basic primary and lower secondary education (World Bank, et *al*, 2002). Providers include governmental, NGO, religious, community and private schools. The largest proportion of children in poor households who got to school in urban areas attend government schools. Private schools are the next destination and a greater proportion of poor children go to private schools than NGO schools, reflecting the fact that not many NGO schools operate in urban areas.[66]

Despite the multiple options, the urban poor are less likely to send their children to school. In a sample of slum areas in Dhaka, 58 percent of 6-7 year olds do not attend school (Aparajeyo, 2002). The reasons given range from inadequate school facilities, distance to school, and lack of funds for the tuition, lack of parents' awareness, inappropriate school timing, and a floating/migratory lifestyle. Drop out rates for primary schools are also estimated to be substantially higher in urban areas than rural due to slum evictions in urban areas and a need to work.

From the score card survey, many households experience a number of problems, both getting their children admitted to school and the experience their children have while in school. In Dhaka, 59 percent reported problems with limited number of seats, 16 percent with failed admission tests, and 10 percent with school authorities demanding 'donations.' The reported payment of fees and for those in the lowest income group was 865 Taka in 2002, and 2327 for the second quintile which can be prohibitive for some households.[67]

Health Care. About half of all health services are provided by the public sector and half by the private sector. In Dhaka less than 54 percent of households report having access to health facilities, for the poor this would be substantially lower. Furthermore, the clinics and hospitals that are accessible do not have the capacity to adequately care for the needs of patients. Only 12 percent of all urban poor report getting medical services from the government service centers, mostly because they are unable to take the time out of their daily chores or time off work to visit a clinic (HIES). Hospitals and clinics are typically not located close to slum areas, and the waiting line for patients is extremely long. Focus groups carried out as part of the score card survey show that slum dwellers feel that they are deprived of proper health facilities, and that they do not get good care from doctors and nurses or the necessary medicines. They report long delays saying that it could sometimes take a month for a patient to get to see a doctor at the hospital.

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[66] World Bank, Proshika, and Survey and Research System, 2002, *Bangladesh Urban Service Delivery, A Score Card.*
[67] Ibid.

Cost can also be prohibitive for the poor. For example, while hospitals are supposed to be free, slum dwellers report that they are required to make payments. Residents report that no service is available without 'speed money.' The magnitude of these 'fees' can be relatively large. Households report having to pay to get admitted, to see a doctor, and for medicines and other essential medical supplies.[68] Similar to the situation with education facilities, NGOs and donors remain reluctant to set up clinics inside the slums in case there is an eviction and resulting loss of infrastructure.

Water and Sanitation. Water and sanitation are delivered through pipe connections to homes, public taps, and tube wells. In poor communities, the poor generally rely on private sources, and to a more limited extent, WASA. Hardware, including facilities such as latrines and water points, are a primary need for these communities. Studies in urban slums report women and girls often waiting for hours to access the limited tube wells available for a large number of families. The government's guidelines mandate that water should be provided to all urban areas and all people covered by each municipality. In practice, this is not the case.

Slum dwellers reported paying as much as Tk. 2 per bucket of water, several times the price paid by those who had legal connections (the official price charged to consumers in Dhaka was Tk. 4.33 per 1,000 liters).[69]

B. Service Providers

Government institutions. The administrative structure related to service delivery is complex. Services are delivered by a mix of central and local agencies, with limited resources, weak administrative capacity and little coordination. Dhaka City Corporation (DCC), which is responsible for a wide range of services listed in Table 4.1, cannot perform their functions adequately due to severe resource constraints and limited authority. DCC is dependent on central government for financial grants and for staff appointments. It also has no role in city planning or physical development.

There are 10 zones in the city, with 90 directly elected ward commissioners who are members of the DCC having both policy making and input monitoring roles. Ward commissioners, however, do not have adequate resources, training, or staff to carry out their roles effectively.

Budget resources are insufficient to meet demand. Local resources come from property taxes, some cost recovery, and government transfers. There are inefficiencies with each and the resources are well below what is needed to cover the cost of service provision. For DCC, 63 percent of resources come from own revenue, and 37 percent from Government grants (2003-2004 Budget documents).

For the poor, services are even more limited as Government agencies do not work in slum settlements.

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[68] Ibid.
[69] Ibid.

Table 4.1: Administrative structure of service delivery in Dhaka

Agency	Services	Sources of Financing
Central government agencies	Education, health, legal, judicial, police, land registration,	Taxes, donor funds
Dhaka City Corporation	Sanitation, solid waste disposal, road building and maintenance, street lighting, traffic signaling, parks, playgrounds, graveyards, slaughter houses, market places, street addressing, provision of nominal stipends to primary education, slum improvement, mosquito prevention	Property taxes, conservancy, lighting and water tariffs, fees, fines, rental income, government grants, donor funds
Pourashava	Sanitation, solid waste disposal, road building and maintenance, street lighting, traffic signaling, parks, playground, poverty alleviation, slum improvement, planning, etc.	Property taxes, conservancy, lighting and water tariffs, fees, fines, rental income, government grants, donor funds
WASA (Water and Sewage Authority)	Drinking water, sewerage	Water tariffs, loans, government grants, donor funds
RAJUK	Planning and development of physical infrastructure, including housing	Sale of lands, government grants
Specialized authorities: PWD, NHA, DPHE, LGED	Civil works, housing, physical development	Government budget, donor funds
DESA (Dhaka Electric Supply Authority)	Electricity	
Titas	Gas Supply	

Sources: Chowdry, 2004, World Bank 2002

NGOs. The role of NGOs in delivering services in Bangladesh is significant. The biggest NGOs have traditionally worked in rural areas, with a relatively small number working in Dhaka. Thirty NGOs were estimated to work in Dhaka in 2003 though this is thought to be growing (INTRAC). The Coalition for the Urban Poor, an umbrella organization of Urban NGOs, has 44 members.

As NGOs have become increasingly prevalent, there is also concern of a diminishing accountability between elected central and local Government representatives and clients. Weaknesses in the regulatory framework and in financial accountability raise questions as to the fiduciary risks of further expansion (World Bank, 2005, The Economics and Governance of NGOs in Bangladesh).

Mastaans. Services are also provided by individuals (mastaans) who provide services to slum residents by circumventing the system, in return for a fee. They facilitate "illegal" connections to essential services like electricity and water, and in the process are able to benefit by diverting resources away from the state. All slums are controlled by mastaans, who have different levels of authority and hierarchy (See Wood, 1998; Islam, 1996; Paul-Majumder et al, 1996; Rashid, 2004). There are the local level mastaans who control sections of a slum, and more aggressive mastaans who have authority over the lower level leaders of the slum. Both are generally considered to be involved in illegal activity such as extortion and violence. They will organize into gangs/groups and demand money from the urban poor who live under their 'protection' in their "slum area."

Many mastaans are reported to have close links with politicians, municipal authorities, and the police in the neighborhood. Political parties rely on links with local mastaans for electoral support and re-election of particular candidates in an area. A mastaan's power base is further consolidated if the political party he belongs to forms the government. Thus, patronage relationships characterize slum politics, which extend from the slum all the way into the local authority and political parties.[70]

Box 4.1: Making Things Work in Health Care

BRAC has examined ways of overcoming problems in health care delivery to urban poor. Despite all the constraints, they have managed to implement a program that has proven successful.

BRAC's essential health care program employs community health volunteers called *Shastho Shebika* (BRAC 2004). The health volunteers go door to door making house-calls in poor communities. BRAC Village Organization members handpick the volunteers. Each one is assigned to 300 households on average visiting 15 households per day. The volunteers are trained to treat and recognize ten of the most dangerous and common diseases in Bangladesh. While the volunteers are not salaried by BRAC, they are able to make an income through the sale of essential health commodities, such as drugs, contraceptives, birth delivery kits, iodized salt, hygienic soap, sanitary napkins and vegetable seeds. To provide for a working collaboration in all aspects of health care, they provide assistance on government health initiatives, such as government immunization centers and distributing Vitamin-A capsules. If a patient needs further medical attention, the *Shastho Shebikas* refer them to BRAC's health centers or public sector secondary-level health facilities. Through this set-up, BRAC is able to reach a large percent of the poor population despite constraints such as working women who have no time to seek medical attention, and those affected by slum evictions, and lack of permanent infrastructure.

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[70] A recent report in a newspaper found that 60 percent of Members of Parliament in the government have links with smuggling or criminal elements in the country (New Age, 2004).

II. Constraints to Service Delivery

Three major constraints in providing service delivery to urban slum residents were identified in interviews with donors, government agencies and NGOs. These include: i) lack of government policy giving them rights and access ii) the eviction of slum residents iii) and the role of mastaans in the absence of formal government structures.

A. Lack of government policy

The lack of an appropriate countrywide policy dealing specifically with urban poor was cited by NGOs, donor agencies, and even some government divisions as a major constraint to working in urban slums. There is no central government policy that mandates individual divisional policies or a national strategy on this subject. Some specific government agencies are able to include individual mandates in their provisions; however, few chose to do so, as there is no pressure or incentive to do so.

The State's ambivalence towards urban policy is manifest in the conflicting dual metropolitan power structure. Though the city Corporation is autonomous and its Mayor and Ward Commissioners are elected by direct votes by the city-dwellers, its power is controlled by the Ministry of Local Government, Rural Development and Cooperatives (MLGRD). The municipal governments do not have sufficient control and leadership over municipal affairs (Rashid, 2004). As a result, the repeated attempt by the Dhaka City Corporation (DCC) to create a city government under which all utilities and services within city would be the jurisdiction of DCC failed during the past Awami League government tenure. The lack of a local coordinating body such as DCC leads to a lack of inter-agency coordination and poor governance between services delivered by WASA, DESA, Titas Gas, BRTC and other private transport agencies.

B. Evictions of slum residents

As discussed in Chapter 3, land tenure is a growing problem in Dhaka, where 70 percent of the poor have access to a very small percentage of land, while the remaining 30 percent of the city's population holds 80 percent of the land. Eviction is always a threat for service delivery, with the poor considered illegal and therefore not able to access formal services.

The insecurity of land tenure leads to major barriers to effective service delivery not only for slum dwellers, but for implementing agencies as well. With the constant threat of evictions, Government agencies, NGOs, and donors are reluctant to invest capital in erecting permanent structures if they stand to lose them if the slum gets evicted. UNICEF faced this problem repeatedly with their education centers where some are reported to have been bulldozed.

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Box 4. 2: Case Study from CUS: Slum Eviction in Agargaon

One of the largest slums, based in the area of Agargaon, was settled on government land twenty years ago. After 20 years of undisturbed settlement by the urban poor, a contract was issued to construct new government institutions on that land. This meant the immediate eviction of thousand of slum dwellers. A number of NGOs had projects implemented in the slum, such as Plan International, which was running water and sanitation programs, health care, and non-formal education. They lost a lot in capital investment when the slum was evicted. Other projects, such as successful micro-credit programs, were able to continue as the implementing NGOs were able to track down community members and resume repayment of loans when the families were resettled. The uncertainty of the security of tenure presents a difficult challenge for those agencies wanting to work in the slum areas.

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C. The Pervasive Role of Mastaans

As mentioned, the gap in service provision has been filled by mastaans who usually control the acquisition of and provision of amenities, such as latrines, tube-wells, water and electricity connections as well as interventions by NGOs in the slum (Rashid, 2004). Most slum residents build networks and links with mastaans who act as brokers, assisting them with access to basic services for a high fee. Most often, these utilities are acquired through illegal connections. Because mastaans are often the only service provider in slum areas, the situation for residents is dire as they report regular extortion, and fear of physical harm or eviction if payoffs are not made (Rashid, 2004). Additionally, mastaans hamper the effective service delivery of outside NGOs to slum areas for fear they will be a competitor to the services they provide. This creates a major obstacle to reaching the poor.

D. Other constraints

Beyond the constraints mentioned above, there are additional constraints that were raised in the interviews by NGOs, Donors and Government agencies. Among these are:

- *Lack of appropriate infrastructure, particularly schools and health clinics, to meet the needs of the population.* The existing infrastructure simply does not meet the needs of the population making effective service delivery impossible.
- *Limited involvement of municipalities and lack of technical and financial capacity.* With both of these factors, it is difficult to work with local governments in implementing service delivery.
- *Mixed experiences working with NGOs.* While some NGOs have made great strides in working in slum areas, others do not have adequate technical capacity which limits the work that they do. There have also been concerns about the

governance and transparency for some NGOs based on a few unfavorable experiences in recent years.

- *Challenges in identifying the urban poor.* Slum settlements can be heterogeneous in densely populated urban areas making it difficult to identify priority areas.
- *Funding.* NGOs rely heavily on donors for funding. The NGOs express frustration over continual changing processes, more limited funds available to NGOs, and donor coordination problems.
- *Challenges in working with Government agencies.* This includes difficulties in working through layers of government bureaucracy, as well as a lack of accountability and transparency in government processes.
- *Government policy priority towards rural poor.*
- *Frequent strikes.* Political rivalries have led to major disruptions in every day life. Frequent hartals or national strikes shut the entire country down and make it difficult to proceed with program implementation.

Box 4.3: Making Things Work in Water and Sanitation

Despite the fact that there is no central government strategy on providing for the urban poor, the Local Government Division (LGD) took the lead on designing and implementing a Pro-Poor Strategy. The strategy holds great promise and is a first step in providing services to poor communities:

LGD's Pro-Poor Strategy

The Unit for Policy Implementation of the Local Government Division designed a Pro-Poor Strategy for the Water and Sanitation Section that is to be implemented in 2005. In the interest of decentralizing the government, the local government institutions Union Parishads and the City Corporations will be given authority over this project. They will identify extreme poor and poor households based on a set of eligibility criteria. Based on their selection, the government will provide a subsidy for the installation of water and sanitation services. Individual households will be expected to contribute 50 percent of what non-poor households would contribute to a government project of this magnitude, with a cap at Tk. 500. This payment can be made in installments with a cap at paying Tk. 25 per month for the hardcore poor households.

Sanitation systems that are covered under this project are defined as one hygienic latrine per household. If this is not possible, a maximum of two households can share one latrine, and in the event of community latrines, each should provide for a maximum of 10 people. Drinking water facilities should provide 20 litres per capita per day. The water source should be within 50 metres of households and meet the national water quality standards. The communities will be given authority to choose the technology of implementation of these services. While this Pro-Poor Strategy is a step in the right direction, there is no specific provision for the urban poor within the program. Rural and urban poor have different needs and their infrastructure set-up varies. There is very little land space in urban areas, while rural areas can spread out over many kilometers. The daily threats and fears of the two groups vary as well, and income levels and sources vary. However, the Local Government Division is very hopeful of this strategy, and believes that soon other government divisions will implement similar strategies.

III. Improving Service Delivery for the Urban Poor

In order to achieve sustainable poverty reduction in Dhaka and other urban areas, Bangladesh will need to confront the issues of service delivery. There are vast improvements needed in every sector. This will require a major shift in current government policies and practices. Yet the Government cannot do it alone. The most effective programs for service delivery appear to be those built on partnerships between NGOs, Local Government, Donors and the private sector. Ensuring the enforcement of the rule of law for those illegally providing services is also essential. Finally, clarifying and thereby empowering the roles and responsibilities of local institutions will enable them to tackle the challenges of service delivery as is done in other countries.

As pointed out in a previous World Bank Report (2002), service delivery will also require increasing partnerships with the private sector, changing the structure of incentives for service providers and consumers, increasing the involvement of users and other stakeholders in planning, providing and monitoring service delivery by institutionalizing user surveys, and institutionalizing a system of accountability that makes service providers answerable to service consumers.

The interviews with Government, Donors and NGOs led to a number of recommendations which are summarized below.

Focusing attention on addressing urban poverty. The lack of an explicit policy for urban poverty reduction has been raised numerous times as a major constraint. While this requires a major political commitment, developing a strategy through a consultative process including stakeholders is important to focusing attention to the growing problems of poverty in Dhaka and other Cities. An effective policy could provide a strategy for addressing poor areas, including the mandate and specific guidance for prioritizing the delivery of services to the urban poor and dealing with the issue of legal land tenure. Clearly identifying roles and responsibilities within Government, as well as for partners outside the Government (e.g. NGOs, private sector) will help to ensure implementation.

Strengthening the role of local municipalities. Currently many basic services are run by Central ministries who are not always able to respond to needs at the local level. There is much scope for strengthening the role of DCC in urban management, and playing a greater role in improving interagency coordination with the various development authorities responsible for infrastructure development and service provision.

Improving accountability and oversight. There is a need to hold agencies accountable for delivering quality services, with a mechanism for allowing grievances to be handled. Approaches used in other countries include a performance based monitoring system with credible indicators and feedback system and the introduction of incentives in public sector organizations.

Enforcing law and order. While Mastaans do provide services to the poor who have no other options, the practices of extortion are illegal, violent and can detract from city development. Such practices can only be considered a detriment to foreign investment in Dhaka. There is a substantial role for legitimate service delivery by private providers, with the public sector ensuring a regulatory framework that ensures transparency, and adherence to the rule of law.

Coordinating between service providers. Given the range of services and service providers who face the same challenges, it would be beneficial to foster coordination across institutions and to identify potential synergies. All stakeholders mentioned the need for improvements in coordination. This includes improved coordination between government agencies, Donors, and NGOs. This could be achieved through activities such as stakeholder workshops and capacity building.

Developing alternative payment schemes. Cost recovery schemes are viable as evidenced by the fact that the poor already do pay substantial amounts for services. The development of alternative schemes could provide more flexibility for the poorest ensuring that they will be able to afford services in times of need. For example, a scheme designed as a savings plan that would enable pre-payment towards services or purchase of vouchers when resources are available would help to mitigate shocks such as health emergencies or seasonal shifts in employment.

Utilizing alternative delivery mechanisms. For some services, alternative delivery mechanisms may provide a way to reduce cost and improve access. This could include distance learning programs, mobile health units, and shared water points where groups of households could join in purchasing a water connection. Households would then be responsible for organizing payment, and the operations and maintenance of the equipment.

Building capacity through training. Implementation capacity could be strengthened at many levels including central and local government institutions, NGOs, and community members. Training in implementation issues, administration, and technical capacity would ultimately benefit the quality of the work that is carried out.

Box 4.4: Case Study: Lessons Learned from DSK's Water Delivery Project in Conjunction with DWASA

There are several important lessons learned from DSK's negotiations with DWASA to provide water to urban slum communities. Among them:

i) There is a willingness and ability among the urban poor to pay for basic service delivery (Ahmed, 2003). The myth that providing service delivery to poor communities requires heavy subsidies is disproved. Additionally, DWASA benefited from the increased revenue, which acted as a motivator to continue the working relationship. Moreover, DWASA has now initiated their own "Urban Water and Sanitation Initiative for Dhaka's Urban Poor" that is to be implemented with funding from Plan, UNICEF, Water Aid, and DFID in collaboration with local NGOs.

ii) Mediation and negotiations for the rights of the urban poor by an NGO can be successful. It was only through DSK's continued negotiations with DWASA that water points were supplied to slum communities.

iii) Community ownership is critical for the sustainable success of any project. The first attempt for a water point in a slum was taken over by the local mastaan. The second attempt put management of the water point in the hands of the community themselves, who did not allow a take-over by the mastaan. It is almost impossible for an outside NGO, such as DSK to extort any control or pressure of slum leaders; the control has to come from within the slum community.

iv) If a community is already accustomed to making installment payments or regular payments of any kind, such as through microcredit loans, they are more likely to make timely payments for services such as water. Community ownership should be taken to the extreme goal of leaving the entire process up to community members, from negotiations with DWASA, to implementation of the water point and keeping local power seats out of the process.

v) As with any successful project, the cooperation between the field staff and upper level management is essential. The commitment of senior level managers is as important as the commitment of field-based staff.

CHAPTER 5: CRIME AND VIOLENCE AND THE URBAN POOR

I. Background and Introduction

Crime and violence have been identified as a key issue for Dhaka, and particularly affects the urban poor. Accurate data on levels of violence in Dhaka are scarce – but available information indicates that while levels of lethal violence (homicide rates) are much below some of the very violent urban centers in Africa and Latin America, overall levels of violence are serious and perceived to be on the rise. The sheer scale and diversity of crime and violence in the poor slums of Dhaka means that it has become 'routinized' or 'normalized' into the functional reality of life, and affects every aspect of daily life for the urban poor. Reflecting general public opinion, daily newspaper reports attest to the extent of the problem. The situation in Dhaka was described the following way in a 2000 publication: "...Dhaka has emerged as a city of crime, insecurity and political violence...social unrest, violence, theft, robbery, looting, murder, hijacking, arson, throwing of acid on innocent females, raping of minor girls, possession and use of illegal arms, illegal rent/toll collection, frequent traffic congestion, etc. phenomenally increased over the years and have now become a way of life in Dhaka city." (Siddiqui *et al*, 2000).

The situation in Dhaka is thought to be worse than in the rest of the country. There are few studies or statistics on crime and violence for Dhaka or other cities in Bangladesh. However, a recent IFPRI study conducted a small household survey in 14 slums in the city of Dinajpur. The area is thought to have a lower crime rate than Dhaka, and yet some form of crime or violence affected one of every six households in these slums in the previous 12 months (Garrett and Ahmed, 2004). In a 1995 survey of the urban poor 24 percent of households described the security situation in their area as poor and 8 percent as very poor. The corresponding numbers for Dhaka were 32 and 14 percent respectively (Nazrul Islam *et. al.*, 1997).

Crime and violence are no longer considered just a 'social' or 'law and order' problem, but also as an obstacle to development which erodes the poor's human, physical, and social capital, and with high associated economic costs. Whilst estimating the costs of crime and violence in Dhaka is beyond the scope of this study, these include costs to the judicial system, health care costs, foregone earnings, costs on private security, loss of competitiveness, and loss of jobs, production. (See Annex 4, Box A4.1). Crime and violence affect all levels of society: the rich and – even more - the poor, women and men, and young and old. Urban crime and violence also generate a climate of fear. The fear of crime and violence are 'serious threats to the stability and social climate of cities, to sustainable and economic development, the quality of life and human rights'. (UN-Habitat *Safer Cities*, 2002).

Ways to address crime and violence and strategies to deal with this public "epidemic" is an area that is increasingly becoming a priority – internationally as well as in Bangladesh - for government and citizens alike. The traditional response to crime and violence has been one of control and repression. Studies (e.g. Greenwood *et al*, 1998)

have shown, however, deterrents such as the severity of punishment and the strength of the police force alone have a limited impact. It is often argued that crime and violence is the output of a complex set of factors including rapid urbanization, persistent poverty and inequality, social exclusion, political violence, the more organized nature of crime, and the growth of an array of illegal activities. As such, experiences in the US, Europe, and increasingly from developing countries themselves, have shown that *crime and violence can be substantially reduced through well-planned prevention strategies that go beyond traditional police responses – especially at the local level.*

This chapter presents some of the main manifestations of crime and violence in Dhaka – particularly as they affect the urban poor - by presenting the main findings of a qualitative and victimization study carried out in four Dhaka slums for this study. It will also briefly examine some of the social, institutional, and legal aspects to the crime and violence situation in Dhaka. In the final section, policy recommendations are presented.

II. Manifestations of crime and violence affecting the urban poor in Dhaka

Whilst there is some information on the types of crime and violence that routinely face the urban poor in Dhaka from anecdotal evidence, newspaper reports, and a few academic and qualitative studies from around Bangladesh - the various dimensions of crime and violence such as the range, prevalence rates, costs, and associated risk factors are not fully understood. Routine police statistics – that are often used to give some sense of prevalence rates in particular – are especially unreliable in the case of Dhaka. There appears to be a very high rate of under-reporting of crime and violence, particularly by the urban poor due to the costs involved of lodging a complaint, legally, bribery and also due to the threat of retaliation by police (UNDP, 2002; Siddiqi, 2000).

Study Methodology: In an attempt to fill in some of the gaps in existing studies and police data, a victimization study was carried out in the four slums included in the 'Slum Observatory' project (explained in Chapter 1) in the 2004/05 round. The study asked key questions about the types of crime and violence in slums in Dhaka; how prevalent crime and violence are; the perceptions and the degree of fear of crime and violence; the costs of crime and violence and their impact on households; and lastly how the poor respond to crime and violence and information on their views about the police, victim support services, etc.

The four slums located in Pallabi, Mohammadpur, Lalbagh and Rayer Bazar are quite distinct. They differ in age and type of settlement and have quite different levels of violence – Shahid Nagar reported to be the most violent slum, followed by Mohammadpur, after which the other two come with some distance. Aparajeyo-Bangladesh has been providing services to children and mothers for some years in these areas and the NGO has an in-depth knowledge of and an established relationship of trust with these communities.

As part of the study design, a series of focus group discussions were held in the different slums with community leaders and residents to explore perceptions of crime and

violence and potential responses to the survey questions. In addition, a series of life histories were collected.

Study Limitations: Whilst the study provides a wealth of interesting data and information, a number of limitations were encountered. A key challenge of this type of study is to ensure full confidentiality in order to gain frank responses. In most cases the interviewers report that full cooperation was received from respondents when discussing the general problems of crime and violence in their slums. Many respondents seemed to enjoy having outsiders visit them and ask their opinions. However, due to the crowded conditions in the slums it was impossible to guarantee confidentiality. In most cases the head of the households (including many female-headed households) were interviewed, and bystanders or family members often listened in and joined the discussion. This resulted in an unwillingness to report personal victimization information. So while high levels of crime and violence were widely acknowledged and discussed, few respondents admitted to having been a victim themselves and the interviewers reported a real fear among residents in responding to personal victimization questions, e.g. 'have you been a victim of robbery over the last 12 months'. This does not appear to have been a problem in the Dinajpur survey and may reflect the higher levels of insecurity in the slums of Dhaka where few of the respondents were willing to take the considerable and real personal risk of being seen as an "informer" in spite of repeated assurances of anonymity and confidentiality by the interviewers.

On the other hand – and to our surprise – there was a very high rate of reported domestic violence. This is contrary to international experience which tends to find that in order to get information on domestic violence special surveys and methodologies are needed – separately from general victimization studies. Again, this may reflect the fact that domestic violence and violence against women are extremely widespread and considered a part of normal life in these communities – carrying no legal or social sanctions and to be freely discussed.

A. Main Survey Findings

Extent and variety of crime and violence: The results from the focus group discussions and surveys indicate a wide range of different types of crime and violence that occur in the slums and confirmed the complex, multi-faceted, and all-present nature of the phenomenon. The vast majority of respondents, some 93 percent, said that they have been affected by crime and violence over the last 12 months with 33 different types of crime identified by the respondents (Table 5.1). Among the most commonly reported crime and violence are toll collection, mastaan-induced violence, drug and alcohol business, land grabbing and violence, gambling, violence against women and children, illegal arms' business, arson in slum, murder and kidnapping, and sexual, physical, and psychological torture and abuse of wife. During FGDs and recording of life histories in particular, the widespread problem of alcohol and drug abuse - including serious heroin addiction - was often linked to crime and violence (trafficking, crime to support habits) and domestic violence.

Table 5.1: Percentage of Respondents affected by crime and violence

	Slum				
	Shahid Nagar	Raver Bazar	Mohammadpur	Pallabi	Total
Affected	250 100%	249 99.6%	213 85%	216 86%	928 93%
Not Affected	0 0%	1 0.4%	37 15%	34 14%	72 7%

In addition, many other categories were identified such as 'using children in political meetings and picketing', 'loafers'dens', and acid throwing. Whilst not giving an indication of how serious the presence of each of these types of crime and violence is in the various slums, it clearly indicates the extent to which every aspect of the daily lives of the slum dwellers is affected by acts of crime and violence (Table 5.2).

Table 5.2: Nature of Crime and Violence Occur in the Slums (Multi-response)

Type of Crime and Violence Reported by Respondents	Slum				
	Shahid Nagor	Rayer Bazar	Moham mad pur	Pallabi	All
	(percent of respondents)				
Total affected by crime and violence	100%	100%	85%	86%	93%
Clash among mastaan/terrorist groups	86	58	88	80	78
Political violence	83	53	78	76	73
Toll collection	80	50	66	48	61
Carry and distribution of drugs, alcohol and substance	54	58	56	53	55
Committing crime under the influence of intoxicants	53	58	49	57	54
Sexual abuse	44	73	48	49	53
Kidnapping	50	52	36	50	47
Conflict between husband and wife	45	81	82	74	71
Farce in the name of justice	49	27	58	56	47
Land grabbing under political shelter	67	37	63	64	58
Establish political control	25	41	68	44	45
Theft/pilferage	76	52	72	67	67
Mugging	45	68	69	55	59
Acid throwing	37	24	18	36	29
Conflict between house owner and tenant	56	27	56	43	45
Gambling	38	61	36	38	43
Torturing women/girls for dowry	56	68	54	48	56
Disturbing the community under the influence of cannabis, alcohol & heroine	46	57	54	48	51
Forcefully conducting sex trade with adolescent girls	19	27	20	31	24
Kidnapping girls	15	40	41	24	30
Selling illegal and intoxicating substances	67	67	60	47	60
Using children in political meetings and picketing	62	75	77	74	72
Harassment and regular toll collection by police	50	58	48	39	49
Violence and abuse of girls working as domestic aides	39	74	67	54	58
Loafers den	57	72	77	65	68
Known mastaan/gangs den	51	58	42	38	47
Kidnap people from other places and holding them in the slum for ransom/mugging	12	20	21	23	19
Exploding hand bombs	33	22	67	32	37

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Type of Crime and Violence Reported by Respondents	Slum				
	Shahid Nagor	Rayer Bazar	Moham mad pur	Pallabi	All
	(percent of respondents)				
Illegal fire arms business and hiding arms in the slum	67	34	56	56	53
Arson in slums to gain control	33	53	55	35	44
Collecting regular toll from shopkeepers/hawkers by police and their aides	36	50	51	30	42
Harassment by police in the name of House Search	38	72	67	45	55
Collecting toll in the name of arbitration by local political leaders	41	60	52	52	51
Establish illegal casino to arrange circus/fairs	38	71	42	41	48
Operate illegal financial transactions through local clubs	40	53	25	38	39
All	25	25	25	25	100

Source: Slum Observatory Survey, 2004

Severity of crime and violence. When asked about the severity of crime and violence in the slum on a scale of 1-5, 1 being not at all and 5 being very severe, toll collection, political conflict, and the harboring of *mastaans* - musclemen and organized crime - to control the slum were considered most severe – followed by drug and substance trade, use of arms, sexual abuse, sex trade, hand bomb explosions, and murder. However, there is a clear difference in levels of severity between the different communities (Table 5.3).

Table 5.3: The Severity of Crime and Violence (Multi-response).

	Slum							
	Shahid Nagor		Rayer Bazar		Mohammadpur		Pallabi	
	N	Severity scale	N	Severity Scale	N	Severity Scale	N	Severity scale
Murder	134	2	163	2	223	2	202	1
Hand bomb explosion	94	2	161	2	190	2	174	2
Use of arms	184	2	166	3	193	3	187	2
Toll collection	207	3	217	4	203	4	182	3
Political conflict	166	4	216	4	222	4	225	3
Sexual abuse	73	2	224	2	182	2	190	2
Drug and substances trade	156	3	199	3	190	3	174	2
Harboring mastaans to control slum	40	4	173	4	160	4	204	2
Women trafficking and sex trade	55	2	99	2	146	2	143	2
All	248	25.1	248	25.1	242	24.5	249	25.2

Source: Slum Observatory Survey, 2004

These results also confirm the high level of control of *mastaans* over the slums and community life. This was also found in the Dinajpur survey. There seems to have been a city-wide rise in *mastaani* preying on city dwellers and collecting money from businesses, bus terminals, construction worksites, and slums over the last decade. According to a report prepared in 1998, there were 30 different groups, employing about

30,000 people, active in Dhaka City (GSS, 1998 as cited in Siddiqui et al, 2000). They are mostly area based, bus terminal based, and college/university based (in particular Dhaka University and Jagannath University College). It is estimated that alcohol and drugs such as hashish, heroin, phensidyl, pethidine, etc. are sold at about 5000 points all over Dhaka City (Siddiqui *et al*, 2000).

Political violence generally takes the form of clashes between the police and opposition political groups or between supporters of the government and opposition political parties. This is particularly noted during hartals (general strikes), processions, demonstrations and political meetings. Other political crimes are secret killings, looting, destruction of property, arson, and rioting (Siddiqui, *et. al*, 2000). The survey findings also indicate the strong links between political parties and criminals living in the slum areas – regularly paying (or compelling) slum dwellers, including children, to participate in political rallies, protests, and open-air meetings.

Perceptions of safety. Overall, about 31 percent of respondents feel that they are not safe within their community though this varies greatly between slums. In Shahid Nagar, 64 percent of respondents reported to feel not at all safe in their community, followed by 33 percent in Mohammedpur, and 19 percent in Pallabi. The respondents from Rayer Bazar feel quite safe in their slum, only 6 percent reporting to not feel safe at all. (Annex 4, Table A4.1). Interestingly, much of this is attributed to the fact that the slum in Rayer Bazar is reported to have a very strongly active Imam, who does not 'tolerate' immoral or criminal behavior in his area.

These results reflect differentials in reported crime data as well as international patterns of urban violence, which usually find that crime and violence are concentrated in a limited number of 'hotspot' neighborhoods and can also differ quite dramatically within different areas of the same slums. [71] While these are often some of the poorest slums, many very poor slums do not have serious problems of crime and violence. This has real implications for the targeting of crime and violence prevention and reduction policies.

During focus group discussions with community leaders from around the city of Dhaka the following areas were identified as the most unsafe in declining order: Vasanti, Agargoon, Lalbag, Mohammedpur, Bapura, Ghattala, Kalsi, Kalayanpur, Taltala, Mesul.

Where, when, and by whom? The survey results show that crime and violence occurs in a number of different places, most of it within the slum and about 35 percent reported to happen inside the household compound (which is usually shared by a number of different families). Other high risk areas are the roadside, the market side and the way to and from work. Female garment workers are particularly vulnerable on their route to work and will often walk in groups to provide some protection or even stay the night at the garment factory. Crime and violence appear to occur throughout the day; however, evening and night are 'peak times'. When asked who is involved (perpetrator) in crime

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[71] Police data were collected for the year 2004 from all four Thana Police Stations represented in the survey. Unfortunately, the data were not available specifically for each of the slums within these areas, but do clearly demonstrate differentials between areas.

and violence the most commonly mentioned are the *mastaans*, from both inside and outside the community, husbands (mainly involved in domestic violence), law enforcing agencies, and neighbors and 'others'. 'Others' include thieves, muggers, robbers, extortionists, teasers, snatchers, murderers, arsonists, etc. The respondents indicate that many poor slum dwellers are involved with activities such as the arms trade, drug trade, trafficking, and black marketing as a means to maintain their livelihoods.

Crime and violence against women. Violence against women was repeatedly raised during FGDs and the qualitative fieldwork as one of the most serious manifestations of violence affecting poor women in Dhaka. This includes physical and psychological violence inflicted by the husband or the husband's family (the latter often dowry-related), burning of wives, acid attacks, suicide as a result of physical and psychological torture, as well as violence against women in the workplace, on the way to- and from work, etc. Of our total sample (about 50 percent female respondents), 30 percent said to have been a victim of domestic violence in the past 12 months – in fact it was the highest reported incidence of crime or violence reported in the survey. This is likely still significantly under-reported as this was not a specialized domestic violence survey. The causes most frequently reported include marital problems, confiscation of wife's money, polygamy, dowry related issues, and not taking responsibility of children. See Annex 4, Table A4.2 for a full list.

These findings reflect what is known about violence against women in Bangladesh. According to the UNFPA (2000) Bangladesh has the second highest incidence of violence against women in the world. A survey carried out in 1997 by the Ministry of Women and Children's Affairs with the assistance of the Government of Denmark found that not only is violence against women widespread, it is also widely accepted: 50 percent of the women interviewed thought it the husband's right to beat his wife; 85 percent felt it was right to hit the wife if she was disobedient; 80 percent of the women respondents felt that if a man rapes a women the woman should marry the rapist. As mentioned above, part of the relatively high response rate on violence against women in our survey may be explained by this high level of social acceptance of the phenomenon.[72]

Women, particularly poor women, face social and economic exclusion in Bangladesh which is evident through the high levels of violence against women. While the constitution guarantees principles of non-discrimination on the basis of gender, as regards 'family matters' women are subject to "Shariah" or religious law. Bangladesh is a signatory to CEDAW (Convention on the Elimination of all forms of Discrimination Against Women) and despite the introduction of a number of laws such as the 'Ordinance of Acid-throwing Act", the 'Ordinance of Women and Child Repression Act', and the revised 'Ordinance of Family Act' – all aiming to assist women - the main problems are the lack of enforcement of these laws and lack of access for women to the legal system.

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[72] Facts taken from a World Bank presentation: *Violence Against Bangladeshi Women: a few facts and figures.*

Costs and impact of crime and violence in the slums. The survey results show that there are significant financial costs associated with the crime and violence in the slums. Costs related to medical treatment, loss of productivity due to injuries and direct financial costs due to the collection of 'tolls' – many garment workers report routinely having to pay 10 percent of their wages in 'protection' for example. Other costs include the illegal land renting fees, electricity and water bill fees, 'tolls' collected by both local gangs and the police in the name of providing 'security', losses through thefts and muggings, etc. Unfortunately the study was unable to quantify the total monetary costs to the poor of the crime and violence they routinely face. This would certainly be an area of interest for further research.

The non-monetary costs are also considerable. It is clear that in many of the more violent slums there is lack of social cohesion and considerable levels of fear and mistrust. This negatively affects social capital and prevents community members from organizing. Many respondents report being afraid of moving about their community after dark – which particularly impacts women. Annex 4, Table A4.3 lists some of the negative effects of the high levels of violence in the slums as reported by the respondents. If anything, these responses indicate that whilst crime, violence, and fear are 'routinized' and part of daily life, they do nevertheless have an enormous impact on the poor's well-being and their impacts on children are of particular concern. Some of the impacts mentioned include: children suffering high levels of insecurity and mental anxiety; family disruptions due to domestic violence; tremendous pressure on the parents of growing girls due to the risks to them; working women getting worried and scared of sexual abuse; mental anguish due to unemployment status; and constant fear and insecurity due to use of arson, arms, and explosives.

Reported and non-reported crime and violence and access to justice. A majority (60 percent) of crime and violence is not reported to anyone. Of the reported numbers, only 3 percent is reported to the police. When crime was reported, it was mainly reported to community leaders (16 percent) and family members (18 percent). The very low reporting rate to law enforcement agencies or Ward Commissioners, less than 2 percent reflects the extraordinary low levels of trust in these agencies. (See Annex 4, Table A4.5).

The survey data also indicate that in 88 percent of reported cases no action was taken and perpetrators went fully free. The police took action against a reported perpetrator in only 1 percent of all cases. The lack of reporting to the police or official action undertaken reflects the low prevalence of a formal preventive, investigative, or judicial authority in these slums. In 7 percent of the reported cases the community took some kind of action – reflecting the respondents' preference for and higher confidence in local *shalish* (See section 3 below).

The role of political leaders and institutions and Law Enforcement Agencies in dealing with crime and violence. The links between the incidence of crime and violence and the role of political leaders/institutions are perceived to be strong. (Annex 4, Table A4.4). Respondents indicate that the leaders of different political parties

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patronize the criminal activities and violence with the intention to control the slums through 'terrorists' and mastaans. By controlling the slum dwellers, the politicians command a strong voting base, collect rent from the dwellers and income from other illegal activities, ensure the participation of slum dwellers in various political meetings, gathering, rallies and demonstrations, and use them in political conflicts and confrontation. During the FGDs it became clear that there is a widespread feeling that the political commitment to reduce violence is only rhetoric.

At the same time, law enforcement agencies are hardly seen to play any more positive role in combating crime and violence. Police are seen to maintain a low profile in responding to crime and violence because of their deep relationships with the offenders. In most cases the victims do not lodge complaints against the criminals in fear of further retaliation by them because they often enjoy the protection of the law enforcement agencies. It is also widely reported that in addition to legitimate fees, the law enforcement agencies often collect bribes from victims just to record a case.

When slum residents were asked what can be done to improve the crime and violence situation in their communities, the results range from better employment and income generation opportunities, to improved social welfare services and education and training, to improved justice, law and order, and governance (Table 5.4).

Table 5.4: Respondent's recommendation regarding combating existing Crime and Violence (Multi-response).

	Slum									
	Shahid Nagor		Rayer Bazar		Mohammadpur		Pallabi		All	
	N	%	N	%	N	%	N	%	N	%
Job opportunity	227	90	197	79	231	93	210	84	865	87
Training	118	47	81	33	178	72	186	74	563	56
Undertake different development activities	138	55	132	53	193	78	159	64	622	62
Better governance	146	58	137	55	189	76	181	72	653	65
Compel the police to behave lawfully	132	52	144	58	185	74	156	62	617	62
Stop political crimes	141	56	189	76	220	88	154	62	704	71
Punish criminals through speedy trials	142	56	139	56	191	77	156	62	628	63
Develop strong public welfare leadership	120	48	163	66	181	73	174	70	638	64
Adopt all possible measures to prevent women trafficking	58	23	96	39	117	47	149	60	420	42
Take strong actions against sex trade	94	37	107	43	127	51	140	56	468	47
Strong control over black marketing and drug trade	104	41	144	58	136	55	69	28	453	45
Control toll collection	148	59	180	73	171	69	125	50	624	63
All	252	25	248	25	249	25	250	25	999	100

Source: Slum Observatory Survey, 2004

III. Relationship between crime and violence and social, institutional, and legal issues

Various frameworks to understand crime and violence and to develop corollary short-, medium-, and long-term policy responses have been developed. One prominent approach comes from the field of public health and is based on the identification and addressing of risk factors.[73] The risk factors in this model are usually classified in three groups: individual factors, domestic/household factors, and societal factors.

The available information on Dhaka shows that this model is consistent with the characteristics of crime and violence – they are a complex mix of interpersonal, social, economic, and structural factors. Crime and violence is carried out by a variety of different individuals and groups and ranges from widespread domestic violence, to disorganized 'opportunistic' street crime, to the extremely well organized - and who operate for motives that range from hunger, to greed, and to politics.

Justice System. It is clear from the survey findings that there is an almost complete lack of trust by the urban poor in Dhaka in the justice system. This is confirmed by the comprehensive 2002 UNDP report on *Human Security in Bangladesh* which finds that many laws and practices of the criminal justice system in Bangladesh are 'anti-poor' and have a far more harmful effect on the poor and disadvantaged than on other sectors of society, despite constitutional guarantees to the contrary. Consequently, many citizens, especially the poor, do not feel adequately protected.

The report finds that: many laws are open to interpretation and to the use of discretionary powers, and that the current bail system favors the wealthy and influential and penalizes those without money or influence. Thus the poor are over-represented in prisons whereas many wealthy or privileged individuals guilty of crimes manage to escape the process of law; that the legal grounds for arrest without warrant are too broad and allow the police to exercise a high degree of discretion. Most preventive detention cases never reach the courts, whilst of those that do, almost 90 percent are found to be illegal; that victims of rape and other sexual violence continue to be further victimized by a legal system that discriminates against victims and protects the guilty; that laws relating to dispossession of immovable property, public nuisance, and vagrants are not implemented in-line with their original intent, and often discriminate against and harm the poor; and that in addition to loopholes in laws and procedures and lack of awareness on judicial issues among the population, there is a severe implementation gap. (UNDP, 2002). Specific recommendations are made in order to improve the laws and legal procedures and to ensure that they do not discriminate against the poor.

Access to justice for the poor and legal aid. The enormous costs of going to court, the delays in court proceedings, and the lack of legal aid facilities has made the

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[73] Whilst looking at risk factors is very important, various authors have highlighted the need to also look at the strengths and assets or 'protective factors' of individuals and communities, not just their problems. See International Centre for the Prevention of Crime, 2000; Moser, 2000)

judicial system virtually inaccessible for the vast majority of the poor. The main providers of legal aid to the poor are NGOs such as BLAST (Bangladesh Legal Aid and Services Trust) and BELA (Bangladesh Environmental Lawyers Association). Despite constitutional provisions stating a citizen's right to legal defense, there is currently no legal obligation for the State to provide legal aid if the pleader or accused is unable to afford the fees(UNDP, 2002).

Shalish (informal courts). It is estimated that nationally about two thirds of disputes never enter the formal court process and are either settled at the local level, through informal settlement by local leaders or a community court, or remain unsettled. The results from our survey indicate a much lower use of this informal settlement mechanism (8 percent), however, it was still the most used form of seeking justice in the Dhaka slums. Since settlement of cases through formal courts is both time consuming and expensive, Shalish councils provide a welcome alternative that could be strengthened and supported. However, it is also recognized that the institutional affiliations and political backgrounds of court officials and community leaders means that their relations to other institutions, particularly the police, local political leaders, and wealthy and influential individuals open these shalish courts to outside influence and may affect their functioning (UNDP, 2002).

Dhaka Metropolitan Police. Weak law enforcement, impunity, and human rights violations are central to the spread of violence. It is clear from our survey that the poor have extremely low expectations of the police. As a result, they generally prefer the intervention of community leaders to resolve conflict among community members, family members, or prefer to not report incidents at all. They will only go to the police as a last resort. Concern is widely expressed about the complicity of the police with the mastaans; torture of suspects in police custody; demanding and taking of bribes for 'protection' or to lodge a complaint; poor level of police responsiveness to the poor; the vulnerability of witnesses, with witnesses complaining of having to pay transport expenses, being subject to police pressure to distort facts, and some being threatened by the other side in the case. There is a lack of any type of special witness protection program.

On the other hand, it is also generally agreed that the size of the police force is too small, that police lack educational qualifications, professional training, and sufficient pay and allowances. Specific recommendation for reform include better training, rationalization of the police staffing structure, monitoring and performance indicators, and reviewing salary structures and incentives. It is found by our and other studies that the poor do want a police presence in certain areas such as markets. The trend towards community policing is welcome and should be the focus of the Dhaka Metropolitan Police to facilitate community participation in crime and violence prevention and to reduce the vulnerability of the poor (UNDP, 2002, Siddiqui, 2000). See Box 5.1 for an interesting and successful example in community policing from Mumbai.

During the last year, the Government formed the Rapid Action Batallion (RAB) which is a separate police unit that is mandated to provide immediate response to law and

order incidents. The RAB has been given some extra-judicial powers for combating crime and violence and its officers are better trained and better equipped in terms of weapons and transportation than the police. They are also generally considered to be 'clean' and relatively free of corruption and political influence. The RAB functions, in large part, on 'tip-offs' and over the last year has killed a number of professional criminals or mastaans that were involved in a variety of criminal activities during 'cross-fire'. As a result it appears that the RAB's actions have contributed to some improvement in the overall crime and violence environment as some criminals appear to have gone underground or have become more circumspect about their activities. Consequently, the RAB is popularly well regarded. There are however serious concerns related to the extra-judicial nature of many of the actions taken by the RAB – denying suspects access to the due justice process - and overly relying on 'informants' leaves it open to be easily manipulated.

IV. Addressing Crime and Violence

This chapter has provided a brief review of the main findings of a survey on crime and violence and the urban poor in Dhaka and has shown that urban violence is now widely recognized as a serious development problem. This is, however, a relatively new area of research and intervention, with serious data constraints as well as very limited systematization of information either analytically or operationally.

The traditional response to increasing levels of crime and violence has been one of control or repression. This approach focuses on addressing the problem after the crime or violent act has been committed. It is usually related to 'toughening' up the legal and justice system, increasing policing resources and capacities, and introducing harsher penalties in an effort to deter and repress crime and violence. Under this approach, crime and violence are seen as the responsibility of the police and the courts. Most countries battling high levels of crime and violence, however, find that these measures alone are not sufficient to have a significant impact on crime and violence. This is often accompanied by a loss of confidence in the criminal justice system, whilst public concern about crime and violence remains high (ICPC, 2000).

A second – and complementary - policy response is one of crime and violence prevention. The basic premise is to stop the crime or violent act from occurring in the first place by understanding and addressing the causes of crime and violence, the risk factors associated with them, as well as constructing safer communities by building on their strengths (e.g. level of community organization), rather than exclusively focus on a community's problems. Furthermore, prevention is a much more cost effective option than repression.

Thus while there is no 'silver bullet' to the problem of urban crime and violence and little systematic evaluation to date, international experiences with different policy approaches suggest that an integrated framework combining their various strengths can lead to a successful urban crime and violence prevention/reduction strategy. This

framework for local action should be based on a **participatory and comprehensive diagnostic**, and include some elements of:

- **judicial/policing reform**[74] - ensuring that order, fairness, and access to due process is maintained in the day to day activities of the community and reducing the public fear of crime;
- **social prevention** - targeted multi-agency (multi-sectoral) and community driven programs that address the causes and risk factors of crime and violence;
- **situational prevention** – measures that reduce opportunities for particular crime and violence problems through urban spatial interventions and slum upgrading.
- Lastly, it requires a **shared local vision, strong leadership, political commitment**, and an **action plan for the short, medium, and long-term**.

From regional and international experience it is evident that one of the most effective entry-points for crime and violence prevention is the **local level**. It is the level of government closest to the people and where projects can be designed to target the specific needs of the local community. This is also where the day-to-day delivery of services happens. These services improve people's quality of life and build better living environments. Many of these services are also the basic elements of crime and violence prevention. However, effective local government action requires all the municipal services to work together, rather than in isolation. It requires support from the different sectors in the community such as justice, health, education, media, police, social services, the private sector, NGOs, and other CBOs such as religious organizations. And importantly, it requires support from higher levels of government and links between the national level, state, region or province. See Table 5.5 for a summary of an interesting example of a local multi-sectoral crime and violence prevention initiative from Capetown, South Africa.

Specific recommendations for crime and violence prevention in Dhaka

- *Adopting a community-based approach.* Working with residents' associations, women's savings and credit groups, CBO's, communities, and NGOs is essential to identify the communities' priorities, problems, and strengths and in order to build the virtually non-existent trust between those agencies responsible for the maintenance of law and order and the prevention of crime and violence (the police) and the communities they are meant to serve. Interesting methodologies in participatory community mapping for crime prevention are being developed and used in South Africa and Latin America and can be adapted for use in Bangladesh. Initial results of these processes indicate that the process allows people to understand that crime does not occur randomly but that it happens in certain and predictable places. The process also has the ability to empower communities and to act together with the police in order to prevent and reduce violence crime (See e.g. Lieberman and Coulson, 2004, World Bank, 2003).

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[74] Whilst the World Bank can not be directly involved in policing issues such as police reform, indirectly it can recognize the importance of the role of police and judicial system, work on judicial reform, and encourage crime and violence prevention partnerships that include the police.

- *Investing in more research and better information systems*: Much more information and understanding is needed about the types of crime and violence taking place in Dhaka; associated risk factors; costs and impacts; prevalence rates; and trends. A first step would be to create a "Violence Observatory", in partnership with Government, the Police, forensic/legal medical institute, public health authorities (injury prevention/surveillance systems), and a research institute. The function of this kind of center is to systematically collect data about crime and violence from different sources and from around the city as well as to carry out periodic victimization surveys. This information is then analyzed and used to inform short-, medium-, and long- term policy decision about 'hotspots', crime trends, priorities, targeting of social prevention activities, etc.

- *Improving inter-institutional coordination*: crime and violence in Dhaka arises from a complex mix of causes that require a coherent, integral, multi-sectoral approach and the participation of various public/state, and civil society agencies. Crime and violence prevention is not just the role of the police or the judicial sector, and a local champion who will assume leadership and coordination in this area is crucial. There is also much scope for an increased role for NGOs.

- *Creating public space and implementing integrated slum upgrading approaches*. There has long been an understanding of the link between 'crime and grime' or rather of the link between the incidence of crime and violence and poor infrastructure, poor living conditions, lack of adequate communications technology, poor public lighting, inequitable distribution of facilities and amenities, lack of maintenance, etc. Therefore, one important violence prevention strategy is the regularization and upgrading of slums integrating 'design for safety' principles as well as social prevention activities.

Many public spaces in Dhaka and in its slums have lost their traditional function of promoting socialization, recreation, and citizenship as they have been invaded by the informal economy, mastaans, delinquents, drug dealing and consumption activities, etc. There is virtually no public or recreational space available in the slum areas. Physical upgrading of public and slum spaces will promote community appropriation of these spaces and prevent crime and violence from occurring in these places. This would include: i) a selection of 'hotspot' areas for intervention; ii) diagnosis of relevant problems and of neighborhood perceptions of public space and insecurity in these areas; iii) assessment of already existing and related programs and new initiatives; iv) creation of a local partnership and strategy that includes the community, residents' associations, NGOs, community leaders, and state agencies. See box 5.2 for examples of how the World Bank is piloting the integration of a Crime and Violence prevention component in more traditional integrated slum upgrading programs in Latin America and the Caribbean.

- *Improving trust between the police and the community and improve the judicial system and deal with impunity.* Community policing should be the focus of the Dhaka Metropolitan Police to facilitate community participation in crime and violence prevention in the slums and to reduce the vulnerability of the poor. In addition, action is needed to address the anti-poor biases in laws and their implementation; speed up judicial processes – possibly through working with shalish informal community courts and community policing programs; and to improve access to legal aid by working with legal aid providing NGOs. Training for police on implementing new approaches such as community policing is also needed.

- *Implementing programs for the prevention of violence against women.* Domestic and violence against women needs to be addressed through stepped up programs on introducing legal awareness, literacy and advocacy campaigns, legal aid, and better training of the police and judicial system so that women victims of violence can access the justice system without fear of further victimization. Introducing women complaint officers in police stations could reduce the intimidation to report acts of violence. In addition, programs such as the '*One-Stop Crisis Centre*' are providing valuable experiences in providing integrated services to women and children victims of domestic violence. Further support and engagement of the women's movement is essential as well as working with and channeling resources for the prevention of domestic violence with community-based women groups such as lending and credit co-operatives. Addressing domestic violence will require an attitude change in society and will take time. Investing in a wide spread public education targeted at specific groups could begin to foster that change.

- *Focusing attention on the needs of children and youth.* In order to prevent crime and violence in the medium and long term, much attention and programs are needed that target the needs of children and youth, boys and girls. International experience has shown different violence prevention programs to be effective for different groups, in different types of communities, and in different countries. Still, based on reports, evaluations, and research studies, certain types of efforts seem warranted. These can take the form of school-based, community-based, or family-support programs such as (Guerra, 2005):

Individual level programs
  - ➢ Universal, high-quality child care and preschool education for young children
  - ➢ Social skills and problem solving interventions for primary and secondary school children
  - ➢ Life skills training and civic education for adolescents

Building relationships: programs for families, peers, and mentors
  - ➢ Home visitation programs for parents of infants and young children

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> Parent school partnerships that encourage parental involvement in children's education and learning
> Programs and policies to prevent child abuse and maltreatment
> Parent training programs, particularly those that help families utilize resources
> Gang prevention programs that combine prevention, intervention, and suppression
> Mentoring programs that provide role models for at-risk youth

School and community programs
> Improving the quality of education, including universalizing primary school
> Emphasizing cooperative learning and student/family engagement
> Developing community policing programs that are sensitive to local conditions
> Building infrastructure within communities to provide opportunities for youth and families to engagement in positive activities (recreation, learning, employment)
> Building physical and social capital in communities through collaborative efforts

- *Investing in drug and alcohol abuse prevention/treatment.* Given the known role of alcohol and drugs as risk factors for violence, both from international evidence as well as coming strongly from our fieldwork in Dhaka - decreasing availability and ease of access to both should contribute to reductions in violence – particularly domestic violence. Although large scale studies are scant, there is evidence that reducing alcohol availability is related to a drop in violence rates. In addition, alcohol and drugs prevention and treatment programs specifically targeting the poor are needed.

Table 5.5: Linking urban spatial and non-spatial interventions: The KfW/ City of Cape Town Khayelitsha Violence Prevention through Urban Upgrading Project

Spatial manifestation	Types of violence and manifestations	Spatial and non-spatial violence prevention or reduction interventions
Shebeens	**Shebeen Violence** • Assault • Murder • Rape • Drug & alcohol-related violence ▪ Murder; domestic & child abuse	• Shebeens (bars) relocated to sites where social & police control is more efficient • Alternative opportunities for socializing where alcohol is controlled --- • Business code of conduct by Shebeen owners' association
Domestic spaces	**Domestic Violence** • Assault • Rape • Child abuse • Emotional abuse	• More houses of refuge & counseling facilities • Police stations equipped with trauma facilities & female officers • Facilities for conflict resolution --- • Police receive training in handling domestic violence cases • Awareness-raising campaign on domestic rights
Open public space *Open fields* *Narrow lanes* *Empty stalls*	**Gender-Related & Economic Violence** • Rape • Robbery • Assault • Murder	• Improved street lighting & visibility • Widely spread & functional telephone system • Rape-relief centers & self-defense training • Safe walkways • Vegetable stalls locked at night • 24-hour internal public transportation system --- • More visible police patrolling & neighborhood watches
Banks & ATMs	**Economic Violence** • Robbery on long routes to & from banks & ATMs	• Increased access to banking & safe deposit places --- • More visible police patrolling & neighborhood watches • Income generation
Informal housing	**Economic Violence** • Burglary in unsecured homes	• Income generation • More & better visible police patrolling & neighborhood watches
Sanitary facilities	**Gender-Related & General Violence** • Rape on narrow paths to & from outside sanitary facilities • Refuse containers used to dump corpses	• Sewers installed & outside toilets phased out • Refuse containers provided with smaller lids so bodies cannot be dumped --- • Communal sanitary facilities supervised
Schools	**School Violence** • Theft of property • Vandalism and gangsterism • Physical violence • Possession of drugs & weapons • Group rape	• Schools should be declared gun-free zones • Schools should be protected against theft & keep out guns by installing better fencing, metal detectors & guard dogs • Guarded schools could then double as safe off-street playgrounds after hours
Roads & transport	**Road & Transport Violence** • Taxi-violence-related deaths & injuries • Robbery • Assault • Sexual harassment & assault by drivers	• Stations declared gun-free zones (metal detectors & lockers) • Jobs & services must be brought closer to residents to reduce excessive transport needs --- • Trains need to be accompanied by police • Conflict management / development programs for taxi-violence

Source: Summarized from KfW/City of Cape Town: 'Violence Prevention through Urban Upgrading: Feasibility Study' (2002).

Box 5.1: Community Police Stations in Mumbai's slum.

The police in Mumbai, India, have started a partnership with community organizations to provide police services in the 'slums', areas that traditionally had received few police services but where they were much needed. By September 2004, 65 slums in Mumbai had 'slum police *panchayats*', each made up of ten representatives from the slum (seven women, three men) and a local police officer. Each community representative is a police *sayayak* (helper), and wears a photo-badge authorized by the Police Commissioner, but they are appointed by residents' associations, not by the police. The community also makes available a room in each slum, where the police are based and which also serves as an office for the police *panchyat*.

These *panchyats* are responsible for policing in their area. They establish a permanent partnership between the police and the slum residents. Residents get to know their local police constables, and this also ensures more police accountability to the local population. In turn, the police know that they have partners working in each slum. The decision to have a majority of women on each police *panchyat* is in recognition of the fact that women are disproportionately the victims of crime, and often face problems of domestic violence. In addition, there are strong savings and credit groups formed by women slum and pavement dwellers and these support the police *panchyats*. Each police *panchyat* is opened with a public celebration.

The community volunteers help patrol the settlement to maintain law and order. They also seek to resolve disputes before they escalate into violence or other crimes. Slum inhabitants can bring disputes to the police panchyat, which meets every day, and under the auspices of the local police many complaints and conflicts are resolved. The police panchyats have proved to be able to resolve many issues such as domestic quarrels and disputes between neighbors over plot or house boundaries. They also help to prevent disputes from escalating into violence or problems of public order. For slum inhabitants, they are also much quicker and easier to use than going to the police to lodge a formal complaint. They also feel more confident about making complaints, as they know some of the community volunteers and the police. This also frees up police time to allow them to concentrate on serious crimes.

The volunteers are clear that they do not have police powers and that dispute resolutions are undertaken by the group as a committee, with details of all cases discussed being carefully recorded. In some slums, the police volunteers have also brought pressure on local people who are illegally brewing and selling alcohol to close down, as a way of reducing drunkenness and the violence to which it often contributes. The local savings and credit groups have also supported the people who previously made illegal alcohol to develop new livelihoods or have rewarded them with new houses. Without the community volunteers, the police would find it almost impossible to control this.

One of the key characteristics of the police panchyats is that they can be implemented on a very large scale without additional resources from the government. They first started because the Police Commissioner promoted the idea, but they are sustained in each locality because they meet the needs of the police: they get free helpers, a safe location within each slum from which to work, and a system that resolves many small disputes without their involvement. They are also rooted in local representative organizations in slums, where the stressors that contribute to violence and crime are obvious – the overcrowded poor quality homes and the lack of infrastructure (e.g. water and sanitation) and civic amenities (schools, open space).

Source: Environment and Urbanization, Vol 16, No 2, October, 2004.

Box 5.2: Crime and Violence Prevention Components in Bank-financed Integrated Slum Upgrading Operations:

The World Bank is **operationalizing** local crime and violence prevention in some of its urban operations through the development of specific project components in the LAC region. These components do not intend to solve the country's or city's overall crime and violence problems, rather they seek to take advantage of the infrastructure and social investments taking place and mainstream prevention at the local level into the overall projects.

The components focus specifically on the reduction of the very high levels of homicide, youth violence, and associated risk factors in the participating neighborhoods. The components adopt a municipal/ urban renewal approach with a *preventive, multi-sectoral, and local strategy* through activities that are complementary to, coordinated with, but go beyond traditional police responses. Particularly important are the synergies between the infra-structure, upgrading, and the 'situational prevention' - and the community-based 'social prevention' activities. The overall objective is a comprehensive intervention at the neighborhood level that is also closely coordinated with other relevant municipal, government, and non-governmental programs addressing crime and violence and their associated risk factors in these neighborhoods. The components generally have six subcomponents:

-Diagnostics: Crime and violence mapping of the micro areas using police statistics and where possible using GIS systems; victimization section in the baseline surveys, willingness-to-pay for increased safety, and; community based and situational diagnostics.

-Situational prevention: measures that reduce opportunities for particular crime and violence problems through spatial interventions such as Crime Prevention Through Environmental Design (CPTED) methodology and urban renewal. This method is mainstreamed in the infrastructure works of the projects through the training of the architects, engineers and other technical staff. This methodology is very new in Latin America but has been successfully piloted in Chile and in the Bank-financed PROMETROPOLE project in Pernambuco, Brazil.

-Capacity-building, training and technical assistance in multi-sectoral crime and violence prevention to the participating government agencies, municipalities, CBOs..

-Complementary investments and activities: *A fund for complementary investments and activities*: the neighborhood residents work with the partner agencies and the technical staff of the project to develop a plan for C&V prevention and use these funds to implement the prioritized subprojects and community programs that are not already covered by one of the other project programs or partner programs. The menu for these may include: social infrastructure investments – such as recreation centers, community facilities, and public lighting not financed through the infrastructure works components, and; Social prevention activities – such as life skills, job skills, and parenting skills training, conflict resolution training, homework clubs, sports and arts-based recreational activities, victim support, and domestic violence prevention.

-Community Organizers: The role of these technical experts in community organization and crime and violence prevention is - at the neighborhood level – to: carry out community-based diagnostics; formulate participatory community safety plans and strategies; liaise and coordinate with other relevant agencies and associations, in particular with Community Safety Councils and the Police; coordinate closely with the works to ensure integration of CPTED principles; identify and work with youth at –risk in the community; organize and mobilize the community around the concept of safety though community campaigns (e.g. community clean-up\painting days, community safety festival); initiate additional projects such as summer camp for at-risk youth, etc.

-Monitoring and Evaluation component: Evaluations of the components have been designed and will be carried out Whilst we have as yet no data from these Bank-financed projects, a few similar community-based integrated interventions have yielded dramatic results. The 'Fica Vivo' program in the Morro das Pedras favela in Belo Horizonte, Brazil resulted in a 45 percent reduction in homicide rates in its first year.

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Annexes

Annex 1: Poverty Profile Background Tables and Figures

Figure A1.1: Cumulative Distribution of Per Capita Expenditure, Dhaka
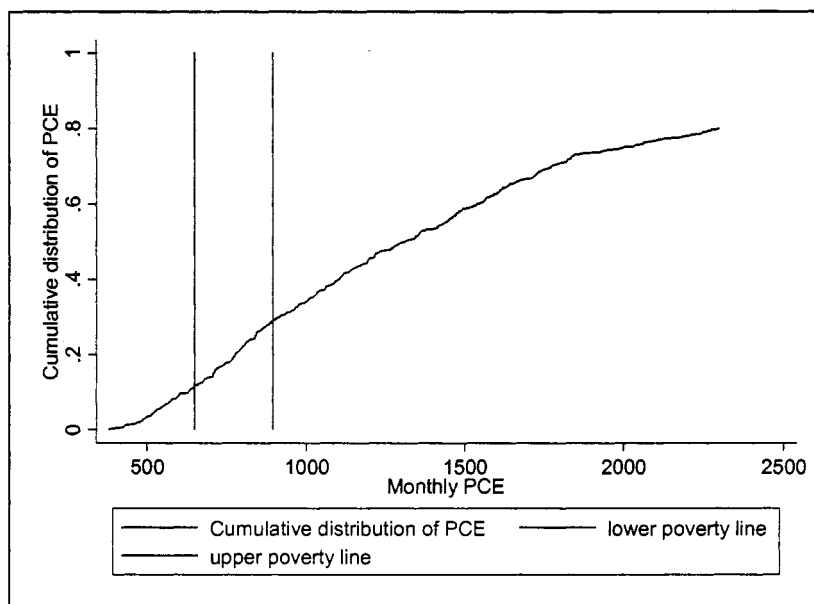
Figure A1.2: Poverty and Extreme Poverty Headcount, Urban Bangladesh
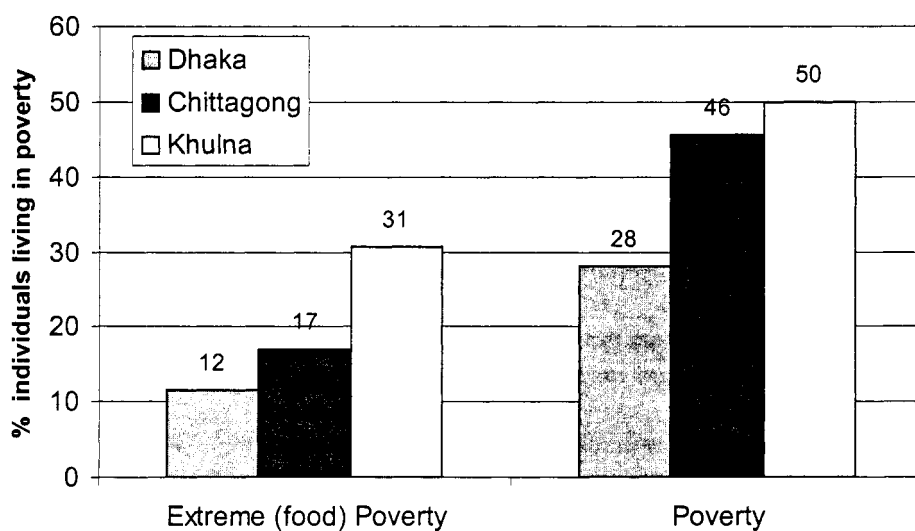
Figure A1.3: Access to Water for Dhaka's Poor

% households below the poverty line
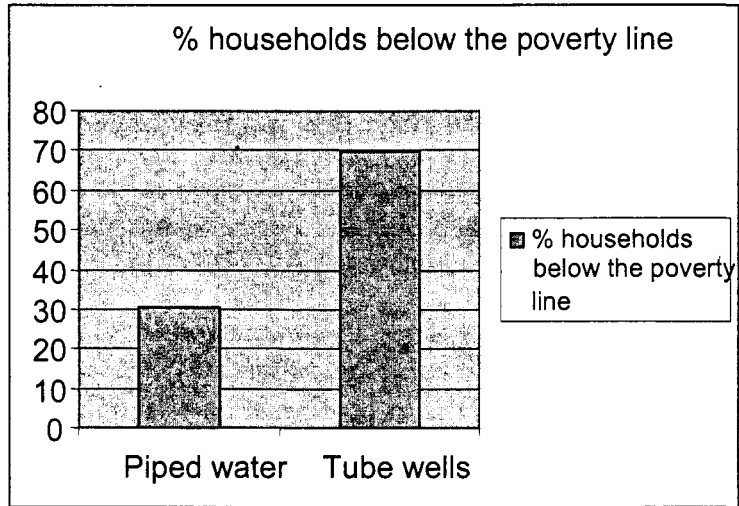
Figure A1.4: Housing quality and poverty incidence
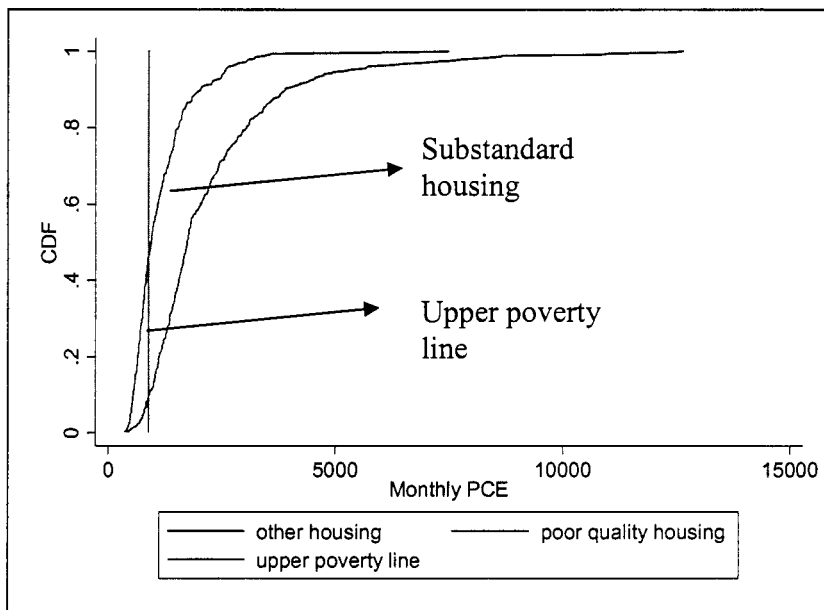
Figure A1.5: Kernal Density of Expenditures in Urban Areas
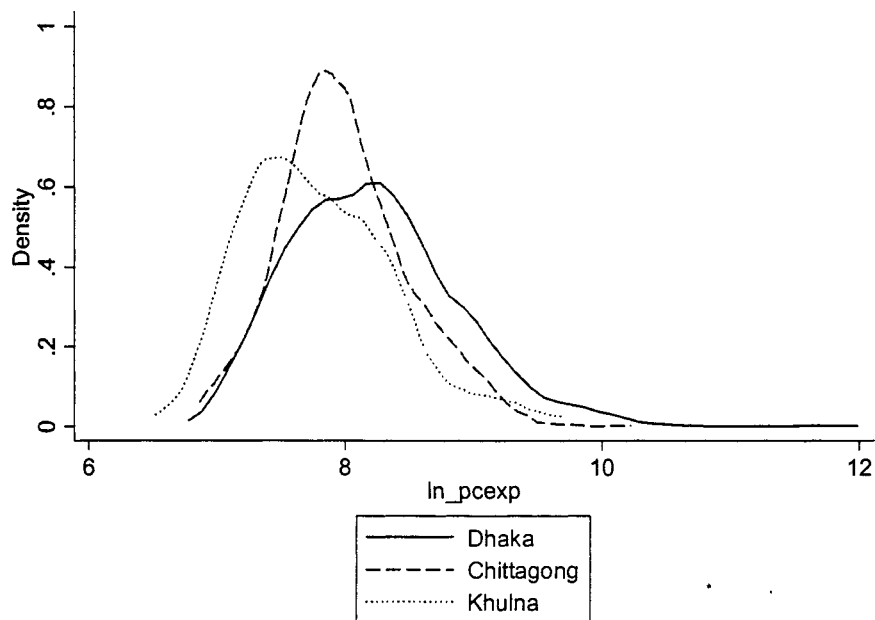
Table A1.1: Housing quality and poverty incidence

	% households below poverty (upper) line	
	Brick/cement	Hemp/Hay
Material of Wall	25.95	39.46
Material of Roof	7.03	4.32

Table A1.2: Inequality of distribution of consumption expenditure by quintile

Quintiles	% of consumption expenditure accruing to this quintile		
	Dhaka	Pune (India)	Bangalore (India)
Poorest 20%	8.35	7.8	8.59
2	11.55	9.79	13.25
3	15.80	16.57	12.08
4	22.25	22.44	27.91
Richest 20%	42.61	43.4	38.17

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Annex 2: Supplemental Data on Labor

Table A2.1: Population aged 15 years and over and working population in the Dhaka district. in thousands. 1996-2000

Dhaka District	Usual definition		% change	Extended definition		% change
	1996	2000		1996	2000	
Population, aged 15 years and over	n.a.	5612		n.a.	5612	-
Population, aged 15 years and over, male	n.a.	2848		n.a.	2848	-
Population, aged 15 years and over, female	n.a.	2764		n.a.	2764	-
Active population, 15 years and over	2632	3108	18%	2891	3318	15%
Active population, 15 years and over, male	2079	2365	14%	2089	2404	15%
Active population, 15 years and over , female	553	742	34%	802	913	14%
Sexual distribution						
Male	79%	76%		72%	72%	
Female	21%	24%		28%	28%	
Labor force participation*						
Total	-	55%	-	-	59%	-
Male	-	83%	-	-	84%	-
Female	-	27%	-	-	33%	-
Bangladesh						
Population, aged 15 years and over	n.a.	74203		n.a.	74203	
Population, aged 15 years and over, male	n.a.	38325		n.a.	38325	
Population, aged 15 years and over, female	n.a.	35877		n.a.	35877	
Active pop. 15 years and over	36054	40734	13%	50337	53519	6%
Active pop. 15 years and over, male	30666	32175	5%	31268	33458	7%
Active pop. 15 years and over , female	5388	8558	59%	19069	20061	5%
Sexual distribution						
Male	85%	79%		62%	62%	
Female	15%	21%		38%	38%	
Labor force participation						
Total	-	55%	-	-	72%	-
Male	-	84%	-	-	87%	-
Female	-	24%	-	-	56%	-

Source: different LFS issues.

Notes: *: Number of economically active persons to the population of 10 years and over.

Table A2.2: Main characteristics of Dhaka's labor force compared with the overall country. 2000

	Bangladesh	Dhaka		Bangladesh	Dhaka
Description of the labor force (thousands)			**Sectoral distribution of the employed pop.**		
Total population, 10 years and over	91643	6442	Agriculture	62.3	11.8
Total population, + 10 years, Male	47640	3249	Manufacturing	7.4	17.1
Total population, + 10 years, Female	44003	3193	Trade	12	23.2
			Transport	4.6	9.3
Active pop., + 10 years	60297	3509	Community services	7.4	21.7
Active pop., + 10 years, Male	37487	2460	Household services	2.6	9.9
Active pop., + 10 years, Female	22809	1049	Other sectors	3.6	7.0
Employed pop., + 10 years	58071	2770	Agriculture	62.3	11.8
Employed pop., + 10 years, Male	36134	2291	Industry	10.3	20.6
Employed pop., + 10 years, Female	21937	959	Services	27.4	67.6
Labor force participation rate (total)	65.8%	54.5%	Formal public sector	4	14.2
Labor force participation rate (male)	78.7%	75.7%	Formal private sector	13.9	36.9
Labor force participation rate (female)	51.8%	32.9%	Informal sector	81.7	48.7
			Non-profit instit. sect.	0.3	0.1
Distribution of the active population by gender			**Status of employed population**		
Male	62.0%	70.1%	Self-employer	32.4	33.5
Female	38.0%	29.9%	Employer	0.2	0.3
Unemployment and underemployment			Employee	13,3	48,8
Unemployment rate (standard)	3.7%	7.4%	Unpaid family worker	36.7	12.9
Proposed unemployment rate	11.0%	10.4%	day laborer	17.6	4.6
Underemployment rate	35.3%	16.0%	**Education level of the employed pop. (+ 15)**		
Un- & underemployment rate	39.2%	22.2%	No education	49.4	30.9
			Class I-V	24.8	17.6
			Class VI-X	16.1	21.9
			SSC/HSC	6.5	15.4
			Degree & above	3.2	14.2

Source: 2000 LFS

Notes: extended definition of the labor force in Dhaka SMA. Population aged 10 years and over.

Table A2.3a: Sectoral distribution of employment by gender

	Sectoral distribution of male employment	Sectoral distribution of female employment	Sectoral distribution of employment (both sexes)	% of women in the sector
Agriculture	8.9%	19.0%	11.9%	47.3%
Manufacturing	13.6%	25.5%	17.1 %	44%
Construction	3.6%	0.6%	2.7 %	6.8%
Trade	32%%	2.4%	23.2 %	3%
Transport	12.7%	1.0%	9.2 %	3.2%

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Finance	4.6%	1.0%	3.5 %	8.4%
Community services	20.3%	25.0%	21.7 %	34%
Household services	3.8%	24.3%	9.9 %	72.7%

Source: 2000 LFS

Notes: extended definition of the labor force in Dhaka SMA. Population aged 10 years and over.

Table A2.3b: Some key figures on female employment in developing countries

		Women's economic activity rates	% of women in the manuf. Sector	% of women in the services
South Asia	43%	Pakistan: 36%, India: 42%, Sri Lanka: 43%, Nepal: 56%, Bangladesh: 66%	41%	15%
East Asia and South East Asia	57%	Malaysia: 48%, Philippines: 49%, Indonesia: 56%,China: 72%,Thailand: 73%,	44%	41%
Latin America and Caribbean	42%	Brazil: 43%, Venezuela: 43%,	36%	48%
Sub Saharan Africa	62%	Cote d'Ivoirė: 44%, Niger: 69%, Mozambique: 82%,	28%	36%
Date and source	2002 **	2002 **	1990's *	1990's *

Source: * Mehra and Gammage (1999). **UNDP (2004)

Table A2.4: Labor force in the main cities of Bangladesh in 2000

	Bangladesh	Dhaka	Chittagong	Khulna	Rajshahi
			Usual definition		
Labor force participation rate (total)	49.2%	51.6%	50.2%	47.4%	51.6%
Labor force participation rate (male)	73.5%	74.3%	73.3%	70.7%	73.0%
Labor force participation rate (female)	22.8%	28.3%	25.5%	23.0%	27.6%
Distribution of the active population					
Male	78.0%	72.9%	75.4%	76.2%	74.7%
Female	22.0%	27.1%	24.6%	23.8%	25.3%
			Extended definition		
Labor force participation rate (total)	65.8%	54.5%	56.1%	52.3%	57.7%
Labor force participation rate (male)	78.7%	75.8%	75.1%	71.5%	74.2%
Labor force participation rate (female)	51.8%	32.9%	35.7%	32.3%	39.3%
Distribution of the active population					
Male	62.0%	70.2%	69.2%	69.8%	67.8%
Female	38.0%	29.9%	30.8%	30.2%	32.2%

Source: Data computed from 2000 LFS.

Notes: Statistical Metropolitan Areas. Population aged 10 years and over.

Table A2.5: Sectoral composition of the employed labor force in the 4 main cities

	DMA	Chittagong	Khulna	Rashahi
Agriculture	11.8	21.8	10.0	27.2
Manufacturing	17.1	24.0	20.1	10.3
Garment	*11.9*	*11.4*	*7.4*	*6.2*
Trade	23.2	18.8	20.4	21.0
Transport	9.3	13.2	11.6	11.5
Community services	21.7	7.9	15.3	18.5
Household services	9.9	7.8	9.7	3.6
Other sectors	7.0	6.4	12.9	8.1
Total	100	100	100	100
Agriculture	12%	22%	10%	27%
Industry	21%	29%	30%	17%
Services	67%	49%	60%	56%
Total	100	100	100	100

Note: extended definition of the employed labor force aged 10 years and over. Source: 2000 LFS

Table A2.6: Unemployment and underemployment in the 4 main cities of Bangladesh

	Bangladesh	Dhaka	Chittagong	Khulna	Rajshahi
Unemployment rate (standard)	3.7%	7.4%	5.0%	3.5%	7.3%
"Proposed" unemployment rate	11.0%	10.4%	11.2%	7.0%	8.6%
Underemployment rate	35.3%	16.0%	21.7%	23.3%	27.3%
Unemployment and underemployment rate	39.2%	25.2%	25.6%	26.0%	32.6%

Source and notes: Salmon, based upon 2000 LFS. Definitions are the following: Standard unemployment rate = absolutely unemployed/total labor force; "Proposed" unemployment rate = total unemployed persons (absolutely unemployed + unpaid family workers)/total labor force; Underemployment rate = people working less than 35h per week/employed labor force; Unemployment and underemployment rate = total unemployed persons + underemployed persons/total labor force.

Table A2.7: Distribution of income and expenditure per capita, hies versus lfs (in taka)

percentile	2000 LFS income per capita		2000 LFS expenditures per capita		2000 HIES expenditures per capita		
	Centile		centile		centile		
D1	500		440		647		*—Zl: 649-*
D2		625	583	*—Zl: 649—*	801		
D3		750	666		963		*—Zu: 893--*
D4		870	800	*—Zu: 893—*	1141		
D5		1000	933		1360		
D6		1250	1003		1583		
D7		1600	1333		1832		
D8		2166	1800		2425		
D9		3333	2500		3243		

Source: author's calculations on the 2000 LFS.
Notes: Zl: low poverty line, Zu: upper poverty line.

Table A2.8: General characteristics of the household by income group.

Variable	The poor		The precarious		The non-poor	
	Mean	Std.Dev	Mean	Std.Dev	Mean	Std.Dev
Number of observations	454		296		750	
Size of the household	5.13	1.73	4.68	1,87	4,40	1,95
Size of the house (acre)	20.80	81.80	37.30	160,60	58,45	172,40
Size of the land (acre)	25.24	186.22	31.30	114,08	58,03	332,57
% of households owning their house	0.28	0.45	0.27	0,45	0,34	0,47
% of households with livestock	0.18	0.38	0.16	0,37	0,10	0,29
% of households reporting no asset	0.81	0.39	0.78	0,41	0,59	0,49
% of household headed by a woman	0.08	0.27	0.05	0,23	0,09	0,29
Age of the mother	32.08	8.36	31.67	8,90	33,52	10,44
Age of the father	40.49	10.55	40.25	11,17	42,20	11,82
% of workers in the household	0.64	0.23	0.65	0,25	0,59	0,26
Number of earners per household	1.56	0.83	1.58	0,80	1,58	0,95
Number of males in the working age	1.38	0.89	1.44	0,86	1,59	1,00
Ratio number of earners/size of the household	0.30	0.17	0.34	0,19	0,36	0,22
% of heads of the household without any education	0.50	0.50	0.38	0,49	0,12	0,33
% of heads of the household with education level 1	0.22	0.41	0.22	0,41	0,11	0,31
% of heads of the household with education level 2	0.19	0.39	0.22	0,41	0,21	0,40
% of heads of the household with education level 3	0.09	0.29	0.18	0,39	0,57	0,50
% of wives without any education	0.58	0.49	0.46	0,50	0,14	0,35
% of wives with education level 1 (class 1-5)	0.16	0.37	0.19	0,39	0,14	0,34
% of wives with education level 2 (class 6-10)	0.12	0.32	0.19	0,39	0,24	0,43
% of wives with education level 3 (HSC/SSC & above)	0.15	0.35	0.17	0,38	0,49	0,50

Source: 2000 LFS

Table A2.9: Probit models. estimations of the probability to be poor. marginal effects

	1		2		3		4	
	Marg.eff	Std err.	Marg.eff	Std err.	Marg.eff	Std err.	Marg.eff	Std err.
Size of the household	0.032***	0.008	0.039***	0.007	0.036***	0.009	0.056***	0.010
Age of the head	-0.002	0.001	-0.002*	0.001	-0.003*	0.002	-0.004**	0.002
% of boys 5-9	0.016	0.128	0.029	0.129	-0.087	0.159	-0.076	0.176
% of boys 10-14	-0.338***	0.122	-0.350***	0.123	-0.410***	0.149	-0.525***	0.167
% of girls 5-9	-0.024	0.131	0.026	0.129	0.022	0.171	0.143	0.179
% of girls 10-14	-0.066	0.121	0.042	0.119	-0.297**	0.151	-0.146	0.163
% of women 15-59	-0.681***	0.119	-0.554***	0.117	-0.898***	0.141	-0.800***	0.153
% of women over 60	-0.360	0.222	-0.240	0.215	-0.719***	0.270	-0.640**	0.276
% of men over 15	-0.807***	0.112	-0.627***	0.109	-0.994***	0.131	-0.870***	0.141
% of men un- or underemployed	0.543***	0.133	0.469***	0.131	0.688***	0.163	0.655***	0.175
Head in the formal sector	-0.104***	0.035	-0.061*	0.034	-0.136***	0.041	-0.075*	0.044
Head day laborer	0.409***	0.070	0.305***	0.079	0.403***	0.049	0.288***	0.075
Head employee	0.020	0.038	0.054	0.038	0.005	0.046	0.061	0.049
Head in sectors up	-0.172***	0.044	-0.068	0.069	-0.260***	0.065	-0.046	0.086
Head in the construction sector	-0.128**	0.045	-0.088	0.052	-0.181**	0.076	-0.073	0.088
Head in the trade sector	-0.092***	0.030	-0.065**	0.031	-0.079**	0.039	-0.024	0.043
Head in the agriculture	0.008	0.048	-0.017	0.044	0.017	0.061	-0.058	0.063
Head in the community services	-0.014	0.050	0.052	0.058	-0.075	0.058	0.049	0.065
Head in the public sector	-0.165***	0.043	-0.119**	0.046	-0.155**	0.059	-0.075	0.066
Head in public community services	0.204**	0.092	0.180**	0.097	0.163*	0.080	0.128	0.091
Head in household services	0.039	0.084	0.085	0.084	-0.069	0.099	0.014	0.096
Head in the manufacturing sector	0.006	0.118	-0.029	0.106	-0.013	0.151	-0.065	0.156
Head in the formal manufac.sector	0.014	0.128	0.088	0.139	0.027	0.160	0.141	0.161
Household without any asset	0.154***	0.026	0.111***	0.026	0.276***	0.031	0.235***	0.035
Head with education level 1 (class 1-5)			-0.082***	0.029			-0.136***	0.046
Head with education level 2 (class 6-10)			-0.160***	0.025			-0.320***	0.039
Head with education level 3 (HSC:SSC & above)			-0.345***	0.025			-0.592***	0.031
Number of observations	1500		1500		1500		1500	
Percent correction predictions								
Poor (+ precarious for 3 & 4)	72.7		75.0		65.2		65.1	
Non-poor (+ precarious for 1 & 2)	50.0		53.1		55.7		54.5	

Notes: * significant at 10% level. ** significant at 5% level. *** significant at 1% level.

Dependent variables: Estimations 1 & 2: Probability of being poor (deciles 1 to 3), Estimations 3 & 4: probability of being poor or precarious (deciles 1 to 5).

Table A2.10: Prevalence of poverty by sector, both sexes (in percentage)

	% of poor	% of precarious	% of poor & precarious
Agriculture	42.7	22.1	64.8
Mining	33.3	11.1	44.4
Manufacturing	33.1	24.6	57.7
Garment	*35.5*	*23.6*	*59.1*
Energy	9.1	18.2	27.3
Construction	37.8	24.3	62.2
Trade	25.9	21.5	47.4
Transport	40.0	26.4	66.4
Finance	8.4	9.5	17.9
Community services	27.6	14.6	42.2
Household services	27.0	12.0	39.0
Household services (without live-in domestics)*	45.5	19.8	66.3
Public sector	21.1	16.9	38.1
Private sector**	24.7	18.7	43.4
Informal sector**	37.6	21.3	58.9

Notes: Employed population aged 10 years and over, extended definition of the labor force. *see text

** this distribution does not take into account the problem of the live-in maids.

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Table A2.11: Prevalence of poverty by thana

	# of obs.	% of poor	% of precarious	Sectors over-represented in the *thana*
Cantonment	178	36%	8%	Construction, transport, household services
Demra	535	46%	17%	Transport, trade
Dhanmondi	226	5%	8%	Community and household services
Thana 43, dt Dhaka*	109	67%	14%	Agriculture
Gulshan	294	22%	18%	Manufacturing
Keraniganj	515	53%	18%	Agriculture and manufacturing
Kotwali	237	38%	14%	Community services
Lalbagh	491	31%	18%	Trade and manufacturing
Mirpur	629	16%	15%	Community and household services
Mohammadpur	172	42%	28%	Transport , manufacturing, construction
Motijheel	211	25%	21%	Community services
Ramna	208	4%	1%	Household services and finance
Sabujbagh	425	10%	16%	Household services and finance
Savar	182	23%	33%	Agriculture and construction
Sutrapur	458	40%	20%	Manufacturing and trade
Tejgaon	271	17%	37%	Transport and manufacturing
Uttara	131	58%	16%	Agriculture
Bandar*	117	32%	26%	Manufacturing
Narajanganj	415	34%	18%	Manufacturing
Gazipur Sadar	317	51%	35%	Agriculture
Thana 50, Dt Narajanganj*	104	39%	42%	Manufacturing

Notes: author's calculations based upon the 2000 LFS. The number of observations includes all persons aged 5 to 99.

*: small sub-sample: number of workers less than 50.

Table A2.12: Working time in Dhaka sma by income group: average and distribution

Working time	The poor	The precarious	The non-poor	Total
Average	46.3 hours	48.2 hours	49.6 hours	48.3 hours
<15 hours	5.5%	3.1%	3.7%	4.1%
15-19 hours	3.2%	2.2%	1.1%	1.9%
20-29 hours	9.7%	7.6%	6.3%	7.6%
30-39 hours	8.1%	7.6%	4.9%	6.4%
40-49 hours	27.2%	29.9%	32.3%	30.3%
50-59 hours	18.2%	23.4%	20.5%	20.3%
60-69 hours	16.8%	15.7%	17.9%	17.1%
>70 hours	11.0%	10.1%	13.0%	11.8%
Total	100%	100%	100%	100%

Source: 2000 LFS
Notes: this distribution does not take into account the problem of the live-in maids.

Table A2.13: Share of living-in domestics (LID) in Dhaka sma by income group

	The poor	The precarious	The non-poor
% of non-relative members amongst female workers	<0.1%	<0.1%	25%
% of non-relative members amongst male workers	<0.3%	<1%	<3%
% of maids amongst female workers	16.1%	13.5%	27.7%
% of non-relative amongst the maids	*	*	90%
% of maids amongst the non-relative female workers	*	*	98%

Notes: *: number of cases less than 10

Table A2.14: Working time by gender and by income group in Dhaka sma

Working time	Poor	Precarious	Non-poor	Total
Average time, both sexes	46.3 h.	48.2 h.	49.6 h.	48.3 h.
Male workers	51.5 h.	51.1 h.	52.5 h.	51.9 h.
All female workers	34.7 h.	40.6 h.	42.8 h.	39.8 h.
Female workers excluding live-in domestics (LID)	34.5 h.	40.5 h.	36.8 h.	36.7 h.
Only female live-in domestics (LID)	47 h.	.60 h.	60.9 h.	60.3 h.

Source: computed from 2000 LFS. Extended definition of the labor force.

Table A2.15: Status by gender and income group (in %)

Status of employment	Poor	Precarious	Non-poor	Non-poor without non relative members	Total
Male workers					
Self employer/own account	41.6	46.4	38.0		40.8
Employer	0.3	0.0	0.4		0.3
Employee	39.3	41.4	52.5		46.3
Unpaid family worker	7.2	6.4	7.5		7.2
Day laborer	11.5	5.7	1.6		5.4
Total	100	100	100		100
Female workers					
Self employer/own account	24.3	13.5	11.9	15.8	16.1
Employer	0.4	0.0	0.0	0.00	0.1
Employee	39.6	54.7	64.4	53.2	54.7
Unpaid family worker	31.8	27.7	22.5	29.6	26.4
Day laborer	3.9	4.0	1.3	1.35	2.6
Total	100	100	100	100	100

Source: computed from the 2000 LFS. Extended definition of the labor force. Population aged 10 years and over.

Table A2.16: Un- and underemployment rate of workers, by gender and income groups

	Poor	Precarious	Non-poor	Non-poor without LID.*	Total
Male workers					
Unemployment rate (standard)	9.1%	7.0%	5.5%		6.9%
Unemployment rate proposed	9.5%	7.7%	5.6%		7.2%
Underemployment	9.6%	8.8%	4.9%		7.1%
Total unemployment and underemployment	17.8%	15.2%	10.1%		13.5%
Female workers					
Unemployment rate (standard)	12.2%	10.9%	5.3%	6.9%	9.7%
Unemployment rate proposed	24.8%	17.6%	13.6%	17.9%	20.4%
Underemployment	47.4%	36.0%	31.3%	41.7%	42.6%
Total unemployment and underemployment	53.8%	43.0%	34.9%	45.8%	48.2%

*LID.: live-in domestics

Table A2.17: Participation rates of women to the labor force, by income group (in %)

	Poor	Precarious	Non-poor	Non-poor without LID.	Total
Participation rate to the *extended* labor force	34.7	33.2	31.5	26.2	32.9
Participation rate to the *usual* labor force, (excluding household activities)	29.2	27.6	28.0	22.5	28.3
Participation rate to the *paid extended* labor force	17.6	15.0	10.9	10.9	13.8

Source: computed from 2000 LFS.

Table A2.18: Options offered to the women

	Number	Shares	Shares among workers
Not to work	1784	67.1%	-
To work as garment worker	224	8.4%	25.6%
To work as maid	171	6.4%	19.5%
Live-in maid	*102*	*3.8%*	*11.6%*
Live-out maid	*69*	*2.5%*	*7.9%*
To work in another job	479	18.0%	54.8%
Total	2658	100%	100%

Notes: the unemployed are included in the workers. Extended definition of the labor force.

Table A2.19: Determinants of female participation to labor force. probit models. marginal effects.

	5		6		7	
	extend		paid labor force		usual	
Age	0.0353***	0.0052	0.0293***	0.0046	0.0291***	0.0050
Age²	-0.0005***	0.0001	-0.0004***	0.0001	-0.0004***	0.0001
No education	0.0942***	0.0363	0.0337	0.0307	0.0393	0.0339
Education, level 1	0.0918**	0.0364	0.0311	0.0312	0.0326	0.0338
Education, level 2	0.0086	0.0306	-0.0465*	0.0245	-0.0376	0.0278
Non-relative	0.6178***	0.0341	0.7198***	0.0377	0.6525***	0.0364
Head of the household	0.3209***	0.0551	0.3648***	0.0555	0.3111***	0.0561
Married	-0.1395***	0.0388	-0.1229***	0.0346	-0.1315***	0.0368
Divorced or widow	-0.1602*	0.0424	-0.1003**	0.0327	-0.1190**	0.0407
Presence of children<5 years	-0.1503***	0.0263	-0.1009***	0.0234	-0.1246***	0.0248
% of male children 5-9	0.2944**	0.1064	0.0168	0.0895	0.1352	0.1003
% of male children 10-14	0.2312	0.0973	0.0393	0.0816	0.1591*	0.0911
% of female children 5-9	0.1307*	0.1117	0.0849	0.0934	0.1014	0.1047
% of female children 10-14	0.1666***	0.0932	0.0686	0.0782	0.1326	0.0881
% female 15-60	0.2386**	0.0823	0.1707**	0.0690	0.2901***	0.0763
% female over 60	0.2176	0.1935	0.2879*	0.1605	0.2794	0.1802
% of male un- or underemployed	0.2010**	0.1097	-0.1197	0.0998	0.1174	0.1033
Head formal	-0.1003***	0.0275	-0.0516**	0.0242	-0.0802***	0.0262
Head employee	0.1720***	0.0393	0.1315***	0.0354	0.1556***	0.0380
Head self employer*	0.1146***	0.0354	0.0791**	0.0311	0.1231	0.0340
Head in the transport	-0.0094	0.0360	0.0177	0.0312	-0.0184	0.0332
Head in the construction	0.0250	0.0544	-0.0073	0.0427	-0.0333	0.0459
Head in the trade sector	-0.0535*	0.0302	-0.0223	0.0258	-0.0560**	0.0276
Head farmer	0.1310***	0.0482	-0.0463	0.0337	-0.0187	0.0399
Head in the community services	-0.0129	0.0310	-0.0163	0.0252	-0.0296	0.0282
Head in the household services	0.0386	0.0637	0.0303	0.0555	-0.0029	0.0580
Head in the manufacture	-0.0177	0.0357	-0.0286	0.0286	-0.0159	0.0332
Household reporting no asset	-0.0488**	0.0237	0.0138	0.0202	-0.0087	0.0222
D1-D3 without female contribution	0.1624***	0.0275	0.1738***	0.0263	0.1817***	0.0270
D4-D5 without female contribution	0.0338	0.0277	0.0348	0.0259	0.0331	0.0270
Number of observations	2658		2583		2658	
Percent correct prediction						
Entry	69.4		86.8		77.3	
No entry	74.0		72.1		72.9	

Notes: * significant at 10% level. ** significant at 5% level. *** significant at 1% level. ; Women aged 10 years and over.

Table A2.20: Choice of activities of women. multinomial logit models. risk ratios

	8	9	10	11
	Maid (in & out) *versus* non-worker	Live-in domestic *versus* non-worker	Live-out domestic *versus* non-worker	Garment *versus* non-worker
Age	1.234***	1.099	1.229***	1.210***
Age²	0.996***	0.9974**	0.9970***	0.9967***
Education, level>1	1	1	1	1
No education	44.32***	20.501***	19.568***	1.375
Education, level 1	22.31***	14.811***	13.722***	2.458***
Member of the family	1			
Non-relative	107.02***			
Unmarried	1	1	1	1
Married	0.193***	0.0430***	0.205***	0.651
Divorce or widow	0.505	0.607	0.638	0.985
No children under 5	*1*	*1*	1	1
Presence of children under 5	*0.580**￼*	*1.822*	0.492***	0.472***
% of male in age of working	*0.258**	*0.196*	0.275	1.146
% of male un- or underemployed	*0.611*	*0.535*	0.673	0.697
Head in the informal sector	*1*	*1*	1	1
Head in the formal sector	*0.296***￼*	*5.940***￼*	0.156***	0.825
Head day laborer	*1*	*1*	1	1
Head employee	*1.785*	*0.147***￼*	3.111**	1.891**
Head self employer	*1.242*	*0.126***￼*	1.312	1.369
Head, education level>1	*1*	*1*	1	1
Head, education level 1	*1.259*	*0.024***￼*	1.361	1.595**
Household reporting asset	*1*	*1*	1	1
No asset	*0.919*	*0.272***￼*	1.106	1.044
D6-D7, without female contribution	*1*	*1*	1	1
D1-D3, without female contribution	*1.397*	*0.074***￼*	1.919*	2.584***
D4-D5, without female contribution	*0.491***	*0.338**￼*	0.732	1.152
Options included in the logit multinomial	*0: non-worker*	*0: non-worker*	*0: non-worker*	*0: non-worker*
In italics, the reference group	1: garment	1: garment	1: garment	**1: garment**
Underlined, the estimation presented	**2: maid**	**2: live-in maid**	2: live-in maid	2: live-in maid
Number of observations: 2658	3: other	3: live-out maid	**3: live-out maid**	3: live-out maid
		4 : other	4 : other	4 : other

Notes: * significant at 10% level. ** significant at 5% level. *** significant at 1% level.

Women aged 10 years and over. In italics, risk ratios that could not be strictly interpreted given the inclusion of L-I.M among the observations.

Table A2.21: Labor force participation rate of children and sector distribution of their employment

	Boys	Girls	Both
Labor force participation amongst the 5-14 years old	21%	19%	20%
Sector of employment of child workers			
Agriculture	13%	20%	16%
Manufacturing	25%	27%	26%
Trade	34%	0%	18%
Transport	9%	0%	5%
Community services	8%	9%	8%
Household services	9%	43%	25%
Other	2%	2%	2%
Total	100%	100%	100%

Source: computed from 2000 LFS.

Table A2.22: Determinants of child work. probit model. marginal effects.

	12		13		14		15		16	
	All obs.		All obs. without non-relative		Boys		Girls		Girls. without non-relative	
Female	-.0521	.0418	-.0865**	.0422						
Age	.1175***	.0236	.0934***	.0215	.1202***	.0352	.0832**	.0336	.0591**	.0258
Age²	-.0027**	.0011	-.0019*	.0010	-.0028	.0018	-.0013	.0016	-.0008	.0013
No education	.3898***	.0648	.3353***	.0657	.5015***	.0923	.2937***	.0853	.2633***	.0858
Education, level 1	.1218***	.0198	.1066***	.0177	.1684***	.0320	.0903***	.0251	.0674***	.0194
Son	-.0423	.0318	-.0543*	.0285	-.0810*	.0512				
Daughter	-.0239	.0312	.0011	.0308			-.0003	.0320	-.0004	.0246
Non relative member	.4854***	.1247			.1674	.1437	.6788***	.1402		
Presence of children aged under 5*	-.268***	.0395	-.2653***	.0392	-.2424***	.0530	-.3095***	.0596	-.2557***	.0560
% of male in age of working	-.2427***	.0593	-.2053***	.0536	-.2491***	.0961	-.1979**	.0772	-.1471**	.0611
% of male un- or underemployed	.4157***	.0759	.3488***	.0675	.7456***	.1261	-.0637	.1156	-.0710	.0923
Head in the informal sector	.0238	.0172	.0302**	.0157	.0241	.0267	.0296	.0232	.0280	.0185
Head self employed	.0166	.0181	.0115	.0163	.0069	.0271	.0062	.0237	.0083	.0191
Head day laborer	.0947***	.0432	.0826***	.0391	.1350**	.0682	.0407	.0516	.0322	.0415
Mother, education level 2	.0392*	.0245	.0340*	.0218	.0172	.0329	.0658**	.0377	.0485*	.0297
Mother, education level 3	.0371*	.0244	.0297	.0222	.0353	.0407	.0327	.0289	.0199	.0234
Father, education level 2	.0613***	.0272	.0509**	.0242	.0177	.0353	.0941***	.0403	.0729***	.0327
Father, education level 3	-.0061	.0190	-.0036	.0171	.0024	.0312	-.0138	.0242	-.0072	.0191
Household reporting no asset	-.0282*	.0175	-.0278*	.0160	-.0339	.0271	-.0382	.0249	-.0310	.0200
Decile 1- 3 without child contribution	.0511***	.0191	.0480***	.0170	.0507*	.0295	.0675***	.0273	.0564***	.0215
Decile 4- 5 without child contribution	-.0133	.0207	-.0062	.0185	-.0199	.0294	.0029	.0327	.0144	.0258
Number of observations	1839		1776		917		922		873	
Percent of correct prediction										
Entry	48.7		43.9		42.0		40.4		37.6	
No entry	75.2		75.5		77.3		83.5		82.1	

Notes: * significant at 10% level. ** significant at 5% level. *** significant at 1% level.

Children aged 5-14 years.

Table A2.23: Comparison of wages between Dhaka and the rural areas in 2000 (in taka)

	Dhaka (1)	Rural areas (2)	(1)/ (2)
Average monthly wage	3312	1835	1.80
Average monthly wage by level of education			
No education	1323	902	1.47
Class I to V	1971	1407	1.40
Class VI to X	2783	1866	1.49
SSC-HSC	3964	3496	1.13
Degree and above	7696	4533	1.70
Average monthly wage by sector			
Agriculture	1768	1059	1.67
Manufacturing	2329	1706	1.37
Construction	6273	1771	3.54
Trade	3000	1360	2.21
Transport	3918	2519	1.56
Finance	7270	3604	2.02
Community services	4507	3227	1.40
Household services	1370	783	1.75
Average monthly wage by gender			
Male	4159	2132	1.95
Female	1600	887	1.80

Source: 2000 LFS. Extended definition of the labor force. Employed population aged 10 years and over.

Table 5.2: Comparison of un- and underemployment rates between Dhaka and rural areas

	Dhaka (1)	rural areas (2)	(1)-(2)
Unemployment rate	7.4%	3.3%	4.1
Proposed unemployment rate	10.4%	11.3%	-1.1
Underemployment	16.0%	38.6%	-22.6
Unemployment rate by level of education			
no education	3.2%	1.6%	1.6
Class I to V	5.9%	3.4%	2.5
Class VI to X	8.3%	5.0%	3.3
SSC-HSC	13.5%	10.5%	3
Degree and above	6.0%	8.3%	-2.3
Proposed unemployment rate by level of education			
no education	5.5%	9.1%	-3.6
Class I to V	10.0%	12.9%	-2.9
Class VI to X	13.6%	14.4%	-0.8
SSC-HSC	14.9%	13.5%	1.4
Degree and above	6.7%	9.9%	-3.2

Source: 2000 LFS. Extended definition of the labor force. Employed population aged 10 years and over.

Table A2.24: Education levels of workers by income group (in percentage)

	The poor	The precarious	The non-poor	Total
Male workers				
Literacy rate	52.3	58.75	88.68	72.16
No education	43.3	35.8	9.1	24.4
Class I-V	26.2	22.8	10.6	17.6
Class VI-X	22.0	21.7	24.6	23.3
SSC/HSC	6.1	13.8	25.2	17.4
Degree & above	2.1	5.6	30.2	17.2
Technical & Vocational training	8.4	8.4	10.8	9.6
Female workers				
Literacy rate	32.6	46.9	60.7 (*73.6*)	49.3
No education	66.8	50.7	35.5 (*21.4*)	48.1
Class I-V	14.3	23.0	17.1 (*20.8*)	17.4
Class VI-X	14.3	18.4	20.2 (*24.8*)	18.0
SSC/HSC	3.9	6.9	15.0 (*18.4*)	10.0
Degree & above	0.5	0.7	11.9 (*14.6*)	6.2
Technical & Vocational training	9.9	1.5	6.1 (*7.1*)	6.3

Notes: Employed workers aged 15 years and over. Figures in parenthesis indicate the corresponding share for the female workers excluding the LID. Source: 2000 LFS.

Table A2.25: Estimates of the employment elasticity with respect to sectoral growth.

	annual average growth of value-added	Annual average growth of employ.	Employment elasticity	Sources
	1991-2000	1991-2000	1991-2000	
Agriculture[a]	3.3%	0.9%	0.27	Salmon (2002)
Industry[a]	7.2%	-0.8%	<0	Salmon (2002)
Manufacturing[a]	6.9%*	-3.3%	<0	Salmon (2002)
Service[a]	4.5%	4.8%	1.06	Salmon (2002)
Total[a]	5.1%	1.6%	0.31	Salmon (2002)
			1980-1989	
Manufacturing[b]			0.78	Rahman & Islam (2003)
Manufacturing[c]			0.63 (1981-90)	Khan (2001)
			1990-1998	
Manufacturing[b]			0.72	Rahman & Islam (2003)
Manufacturing[c]			0.39 (1991-98)	Khan (2001)
			1980-1998	Khan (2001)
Manufacturing[b]			0.78	Rahman & Islam (2003)

Sources and notes: a: Salmon (2002), calculations based on ADB, (2001a), *Key Indicators of Developing Asian and Pacific Countries* for the GDP by industrial origin (at constant 1995-96 market prices); LFS, 1990-91 and 1999-2000 for the distribution of labor force; BBS for wages; b: Rahman & Islam (2003), calculations based on the Census of Manufacturing Industries (4-digit level). c: Khan (2001), calculations based on national data (not defined). For Khan (2001), the elasticities have been estimated by fitting the following equation:

Log EMP=C[1]+C[2].D1 +C[3].D2+C[4].log VA +C[5].D1*log VA+C[6].D2*log VA.

EMP: employment in manufacturing, VA: real value-added in manufacturing, D1: dummy for 1981-90, D2: dummy for 1991-98.

Table A2.26: Ranges of value-added elasticities of employment at 4-Digit

Range of VA elasticity of employment (1980-98)	N° of activities under study (%)	% of total CMI employment	Sub-sector
<0.50	2 (8.7)	1.5	3533 Soap & all detergents 3713 Iron & Steel Re-Rolling
0.50-0.75	5 (21.7)	10.9	3116 Oil except Hydo 3126 Tea & Coffee Processing 3211 Cotton Textiles 3321 Mfg. Of Wooden Furniture 3832 Ag. Machinery & Equipment
0.75 & above	16 (69.6)	45.8	3118 Grain Milling 3122 Bakery Product 3124 Manufacture of Gur 3128 Edible Salt 3143 Biddies Manufacturing 3214 Silks & Synthetic Textiles 3216 Handloom Textiles 3223 Knitwear 3223 Readymade Garments 3241 Tanning & Leather Finishing 3311 Saw & Planning Mills 3318 Bamboo & Cane Product 3611 Earthenware 3691 Bricks Tiles & non clay 3814 Furniture & Fixture 3857 Ship breaking dismantling
Average 0.78	23 (100)	58.2	All 23 sub-sectors

Source: calculated by Rahman & Islam (2003) from Census of Manufacturing Industries (CMI), various years.

Table 5.6: Elasticities of employment of the rmg sector

Period	Elasticity of employment relative to:				
	Value-added	Output	Export (value)	Export (volume)	Source of calculations
1980-89	0.94 (0.86)	0.98 (0.97)			Rahman & Islam (2003)
1990-98	0.86 (0.33)	0.91 (0.46)			Rahman & Islam (2003)
1980-98	0.96 (0.85)	0.96 (0.89)			Rahman & Islam (2003)
1985-1995			0.60	0.66	Author's calculations
1995-2001			0.55	0.48	Author's calculations

Notes: between parenthesis: elasticities standardized per enterprise. Data used by Rahman & Islam (2003) are those of the Census of Manufacturing Industries (CMI). Data used by the author are those of the BGMEA.

Table A2.27: Description of the samples of Dhaka, Chittagong, Khulna and Rajshahi: 2000 LFS

	# households	# individuals over 10 years old	Total population (weighted) over 10 years old (thousands)	Total working pop. (weighted) over 10 years old (thousands)
Dhaka SMA	1500	5364	6642	3509
Chittagong SMA	700	3020	3114	1746
Khulna SMA	500	2042	2114	1106
Rajshahi SMA	350	1356	1447	835
Bangladesh	9787	34498	91639	60293

Table A2.28. List of thanas composing Dhaka sma in the 2000 lfs and in the 2000 hies.

	2000 LFS	2000 HIES		2000 LFS	2000 HIES
Cantonment	x	x	Motijheel	x	x
Demra	x	x	Ramna	x ·	x
Dhanmondi	x	x	Sabujbagh	x	x
Thana 43, dt Dhaka*	x		Savar	x	x
Gulshan	x	x	Sutrapur	x	x
Keraniganj	x	x	Tejgaon	x	x
Kotwali	x	x	Uttara	x	x
Lalbagh	x	x	Bandar*	x	x
Mirpur	x	x	Narajanganj	x	x
Mohammadpur	x	x	Gazipur Sadar	x	x
			Thana 50, Dt Narajanganj*	x	

Table A2.29. Population of the different Dhaka's areas in 2000 LFS

	# obs.	male	female	Total pop. over 5 years
Dhaka region	9100	4608	4492	16.2 million
Dhaka district	5809	2944	2865	8 million
Dhaka SMA	**6225**	**3161**	**3064**	**7.5 million**

Table: A2.30. Export, employment and number of factories in the garment sector. 1985-2002

Year	Export volume '000 doz	index	Export million US$	index	Share in total exports	Number of garment factories	Employment million workers	index
1985-86	4762.58	100	131.48	100	16.05%	594	0.198	100
1990-91	30566.63	642	866.82	659	50.47%	834	0.402	203
1995-96	72005	1512	2547.13	1937	65.61%	1353	1.29	652
1999-2000	111905.77	2350	4349.41	3308	75.61%	3200	1.6	808
2001-2002	140444.59	2949	4583.75	3486	76.57%	3618	1.8	909

Source : BGMEA, cited by Ahmed and Sattar (2004)

Table A2.31: International comparison: cost of labor and price of a shirt

Average price in euro of a shirt exported to the EU 2002			Spinning and weaving labor cost comparisons 2002		
Country	Price (in euros)	Ratio to Bangladeshi price	Country	Total cost in US$	Ratio to US cost %
Poland	9.7	3.34	Japan	22.76	150%
Tunisia	9.5	3.28	USA	15.13	100%
Mauritius	8.6	2.97	France	14.22	94%
Morocco	7.9	2.72	Italy	13.92	92%
Turkey	7.9	2.72	Taiwan	7.15	47%
Macedonia	7.8	2.69	Hong Kong	6.15	41%
Taiwan	7.6	2.62	South Korea	5.73	38%
Romania	7.2	2.48	Poland	2.90	19%
Hong-Kong	7.2	2.48	Brazil	2.50	16%
South Korea	6.6	2.28	Mexico	2.30	15%
Bulgaria	6.2	2.14	Turkey	2.13	14%
Vietnam	6.1	2.10	Morocco	1.89	13%
China	5.9	2.03	Tunisia	1.77	12%
Indonesia	5.4	1.86	Mauritius	1.33	9%
Sri Lanka	4.8	1.66	Thailand	1.24	8%
India	4.7	1.62	Malaysia	1.16	8%
Myanmar	3.9	1.34	Egypt	1.01	7%
Bangladesh	**2.9**	**1**	China Coastal	0.69	5%
			India	0.57	4%
			China Inland	0.41	3%
			Sri Lanka	0.40	3%
			Pakistan	0.3	2%
			Bangladesh	**0.25**	**2%**

Sources: Average price in euro of a shirt exported to the EU in 2002: Fouquin & al. (2002); Spinning and weaving labor cost comparisons in 2002: Werner International (2003)

Table A2.32: Rank correlation coefficients between export items of China and its main competitors in Asia.

Countries	Correlation coefficient	Number of common products	Statistical significance (%)
Sri Lanka	0.75	24	1
Pakistan	0.56	21	1
Viet Nam	0.55	28	1
Indonesia	0.53	25	1
Bangladesh	**0.46**	**25**	**5**
Thailand	0.42	31	5
India	0.39	19	10

Source: Shafaeddin (2004) calculated from UN/DESA (undated). SITC 3-digit level.

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Cost of Living Differences. To adjust for cost of living differences between the different geographical areas, calculations were done using the CBN poverty lines (2000) defined by geographical area. Two poverty lines are calculated in Bangladesh, the "upper" and the "lower" poverty lines. Both consist of the same amount of food items but differ in the amount allowed for non-food items. The "upper" lines include a more generous allowance for non-food items. The differences between the CBN poverty lines of Dhaka and those of the other regions could be considered as a proxy of the cost of living differentials as they are perceived by the potential migrants. These differentials between the different regional areas and Dhaka (SMA) are presented in Table A2.33.

TABLE A2.33: cost of living differentials between Dhaka and the rest of the country

	Upper poverty lines (ZU)	Lower poverty lines (ZL)	diff, Dhaka (ZU)	diff, Dhaka (ZL)
			Coefficient 1	Coefficient 2
SMA DHAKA	893	649	1,000	1,000
OTHER URBAN DHAKA	629	521	0,704	0,803
RURAL DHAKA	659	548	0,738	0,844
RURAL FARIDPUR TANGAIL JAMALPUR	591	540	0,662	0,832
SMA CHITTAGONG	971	702	1,087	1,082
OTHER URBAN CHITTAGONG	818	694	0,916	1,069
RURAL SYLHET COMILLA	738	572	0,826	0,881
RURAL NOAKHALI CHITTAGONG	719	582	0,805	0,897
URBAN KHULNA	803	609	0,899	0,938
RURAL BARISAL PATHUAKALI	616	546	0,690	0,841
RURAL KHULNA JESSORE KUSHTIA	624	527	0,699	0,812
URBAN RAJSHAHI	726	557	0,813	0,858
RURAL RAJSHAHI PABNA	690	586	0,773	0,903
RURAL RANGPUR DINAJPUR	582	510	0,652	0,786

Source : Salmon, C. using CBN poverty lines (see Ahmed, 2004)

Secondly, using the Labor Force Survey (LFS, 2000), we calculated the "real" (corrected) average monthly wages and the "real" average net self employment incomes, by using coefficients 1 and 2 of Table A2.33 as weights. Coefficient 2 (based on lower poverty line) tends to underestimate differences in the cost of living between Dhaka and the rest of the country as it mainly takes into account the differentials in prices of food items. As a consequence, when using coefficient 2, we probably overestimate differences in incomes between Dhaka and the other areas. Coefficient 1 takes into account differences in prices of both food and non-food items between Dhaka and the other regions.

Thirdly, we compared the corrected wages and the corrected net self employment incomes perceived in Dhaka and in the rest of the country, by level of education, by sector, by sex and by region. The results are presented in the following tables.

Table A2.34 shows that on average, the wages earned in Dhaka are 30% to 50% higher than those earned in rural areas. The differential is more pronounced for the female wage-earners than for their male counterparts. The wage differential between Dhaka and the rural areas is positive for all categories of education (but remains small for the less educated when applying coefficient 1) except for the SSC-HSC. This last result can be explained by the fact that most of this category of educated people are found in the community sector (education, health), where there is very few regional differences in wages. By contrast, differences in wages are more important for the highly educated, given their larger number of job opportunities in Dhaka than in the rural areas (21% to 43%).

Moreover, differences are particularly significant for most of sectors of activity (except community services) but, paradoxically, are not very large for the manufacturing sector. Once differences in cost of living are taken into account, there is a only a little earning differential for work in a manufacturing in Dhaka compared to one in a rural area (0 to 11%).

TABLE A2.34 : Comparison of average monthly wages between Dhaka and the rural areas (in taka)

	Dhaka (a)	Rural areas (b)	Rural areas (b)	Ratio (a)/(b)	Ratio (a)/(b)
		Correction 1	Correction 2	Correction 1	Correction 2
AVERAGE MONTHLY WAGE	3237	2490	2138	1,30	1,51
Average monthly wage by level of education					
No education	1323	1237	1071	1,07	1,24
Class I to V	1971	1849	1609	1,07	1,22
Class VI toX	2646	2605	2227	1,02	1,19
SSC-HSC	3773	4823	4127	0,78	0,91
Degree and above	7624	6276	5313	1,21	1,43
Average monthly wage by sector					
Agriculture	*1768	1389	1208	*1,27	*1,46
Manufacturing	2329	2426	2100	0,96	1,11
Construction	*6273	*2410	*2057	*2,60	*3,05
Trade	3000	*1950	*1676	*1,54	*1,79
Transport	3918	*3476	*2978	*1,13	*1,32
Finance	7270	4951	4266	1,47	1,70
Community services	4507	4442	3781	1,01	1,19
Household services	1370	1088	940	1,26	1,46
AVERAGE MONTHLY WAGE BY SEX					
Male	4159	2891	2841	1,44	1,46
Female	1600	1181	1015	1,35	1,58

Source : author's calculation based on LFS 2000

Notes : Rural wages are corrected to take into account the cost of living differential between Dhaka and the rest of the country.

* : less than 50 cases.

Table A2.35 shows that there is a great deal of heterogeneity in differentials of wages and incomes according to the geographical areas (rural *and* urban). As shown above, differentials in wages are higher than differentials in net self employment incomes. On average, the wages are 32% to 47% higher in Dhaka than in the rest of the country and net self employment incomes are 14% to 29% higher. Differentials are the highest between Dhaka and the rural Rajshahi and Pabna areas, reaching more than 150% for the wages. This is mainly explained by the differences in structure of activity between these regions. The differential is narrower for the areas near Dhaka. It is noteworthy that once differential in costs of living are taken into account, there remain very large differences in incomes or wages between Dhaka and other *urban* areas of the country. The differential in net self employment incomes is particularly wide between Dhaka and urban Chittagong, for instance, reaching more than 45%. While most of studies have focused on rural migrants, the influx of urban migrants (from other towns to Dhaka) may

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be significant. When observing the *real* earnings, Dhaka seems to remain attractive compared to all other areas in the country, both rural and urban. However, even if earnings are one of the main reasons to migrate to Dhaka, it is not the only factor to consider.

TABLE A2.35: Differential of wage and and net self employment income between Dhaka and other geographical areas (in percentage)

	Average monthly wage		Net self employment income	
	Correction 1	Correction 2	Correction 1	Correction 2
SMA DHAKA	ref	ref	ref	ref
OTHER URBAN DHAKA	4%	18%	-2%	12%
RURAL DHAKA	16%	33%	14%	31%
RURAL FARIDPUR TANGAIL JAMALPUR	3%	29%	8%	36%
SMA CHITTAGONG	53%	52%	50%	49%
OTHER URBAN CHITTAGONG	33%	55%	47%	72%
RURAL SYLHET COMILLA	49%	59%	14%	22%
RURAL NOAKHALI CHITTAGONG	48%	65%	30%	45%
URBAN KHULNA	62%	69%	24%	29%
RURAL BARISAL PATHUAKALI	5%	28%	21%	47%
RURAL KHULNA JESSORE KUSHTIA	16%	35%	-1%	14%
URBAN RAJSHAHI	43%	50%	-8%	3%
RURAL RAJSHAHI PABNA	157%	200%	20%	37%
RURAL RANGPUR DINAJPUR	15%	39%	-4%	15%
DIFFERENTILA DHAKA (SMA)/OTHER AREAS	**32%**	**47%**	**14%**	**29%**

Source: author's calculation based on LFS 2000
Notes: Rural wages are corrected to take into account the cost of living differential between Dhaka and the rest of the country.

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Annex 3: Supplemental Information on Land and Housing

Table-A3.1. Urbanization in Bangladesh, 1901-2001

Census year	Total Population	Urban population	Percent Urban	Variation percent	Exponential growth rate
1901	28,928,000	702,035	2.4	-	-
1911	31,555,000	807,024	2.6	15.0	1.4
1921	33,254,000	878,480	2.6	8.9	0.9
1931	35,604,000	1,073,489	3.0	22.2	2.0
1941	41,997,000	1,537,244	3.7	43.2	3.6
1951	42,063,000	1,819,773	4.3	18.4	1.7
1961	50,840,000	2,640,726	5.2	45.1	3.7
1974	71,479,000	6,273,602	8.8	137.6	6.7
1981	87,120,000	13,228,163	15.2	110.9	10.7
1991	106,314,000	20,872,204	19.6	57.8	4.6
2001	123,851,120	28,605,200	23.1	37.1	3.2

Source: Population Census-2001: National Report (Provisional). (Dhaka: Bangladesh Bureau of Statistics, 2003):T-5.1:28

BOX A3.1 : Classification of Building Types in Bangladesh

Housing units in urban Bangladesh are traditionally classified as:
- *pucca* or permanent (meaning brick or cement for walls and roof, with average life span of 50 years),
- semi *pucca* or semi-permanent (wall in CI sheet, brick or cement, roof in CI sheet or wood , with life span of 15-20 years)
- *kutcha* or temporary (walls in mud or mud and bricks ; roof in tile or CI sheet, , with maximum life span of 5 years or less)
- *jhupri* or thatch (walls and roof in straw or bamboo , with maximum life span of 1 year or less).

Box A3.2 : RAJUK's performance

RAJUK was created in 1952 when Bangladesh was part of Pakistan. It was created for planning, control of development, and building housing as part of a highly centralized economic system. It has always provided most of its services upper and middle-income people. RAJUK has largely failed on the three fronts (see Islam et al. 1997, chapter 14).

Planning has been deficient and seems inconsistent with the functioning of a market economy. Master plans have been drafted without local participation, and not taking informal developments into account. A look at the shape of Dhaka city nowadays (again, see Maps 1 and 2) shows that a very small proportion of urbanized land has been planned and is legal. The yellow areas indicate that over the 20 years between the developments described in the two maps i.e., 1984 to 2004, most development has not been planned. RAJUK focuses mostly urbanized tracks of public land, with buildings for the administration, universities, housing for civil servants and students. These parts of the city have remained largely intact. Today, RAJUK is said to have only a handful of planners on their payroll, which is totally insufficient to assume RAJUK's mission as the metropolis planning agency.[75] Another problem comes from the lack of legal obligation or

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75 For example, Detailed Area Maps for the 1997 City Development Plan have not been drafted until now. The work seems to have just started, and has been contracted to local consulting firms. The procedure followed is non_particpatory and centralized (the plan is prepared then presented to the local community).In the

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delay imposed on RAJUK to prepare new plans or updating old plans for the Dhaka Metropolitan Area. The last plan is relatively recent (1997), the former one dated back to 1959. In the face of the explosive growth of Dhaka during this period, this tardiness seems to be three or four times too long.

Control of development and planning enforcement are absent. A large part of Dhaka is *terra incognita* for RAJUK and develops largely out of official control. In the case of originally planned neighborhoods where ownership of land was private, very often the initial buildings are long gone and have been redeveloped, very often illegally. Virtually all new development on the fringes of the city, apart from few public programs, is spontaneous and violates the current development plan of the city. This is particularly worrying for the environmental consequences to the city. For example, after the construction of the western embankment which protects the western parts of the city, encroachments have progressed very rapidly on both sides of the bund. On the city side, retention ponds are quickly being filled. All experts say that the consequences of the disappearance of the water retention ponds are disastrous in terms of water logging. The 2004 flood has been a warning, with water in the southern parts of the city taking three months to recede.

On the **development** side, RAJUK has done little. From World Bank (2004), the public land servicer has been able to provide enough serviced land to meet between 1 and 2 percent of the demand for such parcels. Some experts also estimate that the market is ripe for private land servicing, and that the status of RAJUK creates unfair competition on this market in a variety of way. Besides, it does not cater to the poor, so that it operates on the same business lines as private developers, which are now well organized and more efficient. RAJUK announced recently a shy tentative to include the poor in their programs, by reserving 7.5 % of the land to poor households in one of their new programs.[76]

Box A3.3: Unplanned development of the lowlands

Most undeveloped land in the inner Dhaka area (see Maps 1 and 2) is lowlands, only a few feet above the river level, and thus prone to flooding. Because higher locations are already urbanized, most of the new developments in the city follow an incremental approach consisting in progressively filling up the river or retention ponds or lakes. This process is organized by individuals who become landlords of the newly developed land and rent out the units built on it.

Stage 1: Bamboo structures on stilts are built above the river next to already filled land. These units have no utilities (sometimes electricity is available via pirate hook-ups).
Stage 2: filling occurs, with solid waste, sand and other materials. At the end of this process, the gap is totally filled and the new ground permits heavier construction.
Stage 3: Bamboo constructions are replaced by "pucca" construction in bricks and cement, usually one floor high. At this stage, stone / brick roads have been traced, and electricity is usually present, either because owners have managed to get titles from RAJUK, more often by pirate hook-ups. Basic sanitation (collective) and sewage (side drains on each side of the road) are added. Very often, businesses and shops occupy the front side of the constructions, with the back serving as housing, dormitories, or small factories.
Stage 4: one- or two-storey units are replaced with 5 or 6 storey buildings.

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case of the Dhaka-Narayangonj-Demra (DND) area, the presentation of the local plan to the local community generated protests which eventually led to the scrapping of the plan.

76 RAJUK was not created to cater housing for the poor. This was initially the mission of the Human Settlements Directorate.

Box A3.4: Slum Improvement/Upgrading Programs of the National Government

The Government of Bangladesh began implementing upgrading program in urban slums in the mid eighties at the instance of UNICEF. This program has been active in some 25 cities, including Dhaka. Originally the program had a strong physical component like improvement of drains and sanitation. It had no housing component. Later the World Bank, the ADB and major NGOs like CARE supported some slum improvement programs. None in Dhaka (DMDP area) however, has any housing component. All programs together have made very little impact on improvement of slums in Dhaka, due to the massive scale of the problem.

Dhaka City Corporation itself established its own Slum Improvement Department in the early 90s, but fund allocations to this department has always been very small, although over 1/3rd of DCC's population lives in slums.

The NHA is the new form of the former Human Settlements Directorate. The latter agency managed some housing programs after the partition, mainly for displaced people coming from India. The NHA, established in 2001, has been implementing some small projects for the low income families and is now trying to help a private company to implement a resettlement project in multi storied buildings in Mirpur, Dhaka.

Box A3.5 : NGO programs targeted to poor renters

Currently NUK is operating three Hostel and Development Centre for women garment workers in Dhaka city with 600 seat-capacity, and two Student Hostels with 150 seat capacity in Dhaka and Mymensingh. All the hostels are operating on a non-profit basis in hired premises.

Recently, BRAC also engaged in this activity and "Grihayan Tahabeel" (Housing Fund) of the Government of Bangladesh, administered through Bangladesh Bank, approved Tk 100 million to BRAC for building hostels for 2,500 women workers of garment factories in Uttara, Dhaka with 1 percent interest, repayable in 20 years.

BRAC has another program centered on housing, targeted at single women renters. BRAC staff act as middlemen between landlords and single women who otherwise would not be able to find a place to live. They lend Tk. 5000 to cover the upfront costs of rental (3-4 months of rent as a security deposit). The woman will then be able to mobilize her own social network and sublet rooms or space to other women, which will provide a source of income to repay the loan.

BoxA3. 6: The Land Tenure System

The land tenure system in Bangladesh has evolved over a long historical time and stands now in a complex status. Urban land at present is characterized by a variety of tenure types, identified as Non-formal, de facto tenure; Private freehold; Government or *Khas* land; Public leasehold; Private leasehold; Apartment tenure; Community ownership; Cooperative ownership; *Wakf* (charitable/religious land); and Abandoned property and non-resident vested property.

Non-formal, *de facto* Tenure

Land occupied and used without permission from its owner is a form of tenure known as 'squatting'. This is quite common in Dhaka specially on government property. The government in 1975, while clearing slums of Dhaka city under the Emergency Rule, forced nearly 200,000 squatter dwellers to settle in government allotted plots outside Dhaka city. As regards the tenure of such land, the government is yet

indecisive. Another massive eviction of 40,000 squatters took place in 2002 at Agargaon in the City but without any resettlement provision. There have been innumerable evictions between 1975 and 2004.

Private Freehold

This is the most familiar form of tenure through which a private individual or a group of individuals can own land outright. The law gives the owner the right to use or dispose of land in any way he/she likes as long as he/she does not impair the law of the land or planning regulations.

Government Land or *Khas* Land

Land under Government ownership are called *Khas* Lands. Government or semi-government agencies are the full owners of land. In urban areas, it generally applies to land directly used by the public such as parks, roadways and sites for public buildings. The government has the right for different uses of such land and can also sell it.
The main sources of *Khas* Lands are as follows : Land vesting in the Government by virtue of holdings exceeding the land ownership ceiling (100 *bighas* or 13.4 ha); Accretion of land from the sea or rivers; Acquisition of land in cases of default in payment of land development tax; Common-use land (roads, rivers, pastures, etc.) and special use land (forest, fisheries, shrimp land, hats, bazaars, etc) and unusable land (hills, marshes, etc); Land acquired by compulsory acquisition or purchase.

Acquisition and Requisition of Immovable Poverty Ordinance 1982 prohibits the use of acquired land for purposes other than that for which it was acquired. Dhaka City has an unknown quantity of *Khas* Land, but it is quite substantial more than 1000 cares of which still remain vacant.

Public Leasehold

Some government agencies have directly leased out land to private individuals or firms for a specified period of time. These are known as public leases. The time period may vary between few months to 99 years. For example, RAJUK, has developed some residential areas and leased them to private individuals for 99 years. The lease-holders enjoy all the privileges of a private freehold except the fact that any transfer or sale have to be approved by the authorities concerned. Some of the leases may be for a temporary period and may be treated as on rent and mostly used for commercial purposes. Government has resettled some of the landless in government *(Khas)* land on long term lease.

Private Leasehold

It applies to rental market of all categories of property: residential, commercial and industrial. In it a private owner gives his property on lease to an individual or to a group of individuals for a certain period with certain restrictions and for specific uses or activities.

Apartment Tenure

Apartment construction is a comparatively recent phenomenon; the law relating to ownership rights in apartments is not well-developed. Apartments are sold under a variety of legal arrangements. The lack of a standard system handicaps the developer, the purchaser, and the tax collector. This system does not concern the poor of Dhaka. It is mainly limited to upper and middle income groups.

Community Ownership

It refers to property owned, managed and controlled by community consent. Land may be assembled through donations, surrender or purchase by common contributions. These lands are mostly used for graveyards, prayer halls and such purposes.

Cooperative Ownership

This is a recent phenomenon and mostly occurs in urban, semi-urban and urban-fringe areas. The property is primarily used for the development of residential purpose. There are laws to regulate such holdings. In most cases the ownership is individual but with certain restrictions on transfer, sale, and use. There are examples of this type in tenure at various locations, but mostly in the fringe areas. There is potential for use of this system for the poor, but only if organized by responsible NGOs.

Wakf

It means charitable and religious land. When a property is given for charitable and religious uses through legal methods it becomes a *wakf* property. Government appoints a person to look after such property. Most of the public mosques belong to this category. In case of mosques, private trusts or government trusts, government appointed agencies look after the properties.

Abandoned property and non-resident vested property

Properties abandoned by the Pakistanis after the War of Independence of 1971 and the properties retained by Indians till the war of 1965 were declared as abandoned properties and non-resident vested properties respectively. The government looks after these properties.

Box A3.7: Legal and Regulatory Complexities of Land Management

Land management in Bangladesh is very complicated involving tedious processes of land records, land registration, land transfer and land taxation and land reforms. Management of urban land is more complex, because of its high value, multiple ownership, high frequency of transfer, and corruption at various stages.

As far as the poor's access to land in urban areas is concerned unless they already own some land through inheritance, it is nearly impossible for them to buy land, because of their low affordability and the legal limits to parceling of land below a certain size (of 1½ *Katha*), and also because of the lack of transparency or authenticity of title or ownership of land to be purchased. The more likely means of making land available for the poor is the government's intervention. It can either release some of its own land (*Khas Land*) or acquire land from private owners of land for housing the poor. Both possibilities have become limited. Due to poor record keeping and high level of corruption, the quantum of *khas* land has been getting smaller everyday. The rich and the powerful keep on grabbing *khas* land by various unscrupulous means (below).

24 Firms Grab 561 Acres of Public Land

"A total of 24 real estate companies have illegally occupied over 561.18 acres of public land in Dhaka and its suburbs, the Parliamentary Standing Committee on the Ministry of Land was told yesterday".

"A meeting of the JS body held yesterday wit its chairman Adv Mahmudur Rahman in the chair was also informed that of those companies eight have applied for granting lease of the occupied land in Dhaka and Gazipur districts".

"The amount of illegally occupied land would be much higher", the Committee Chairman told reporters after the meeting. He said criminal cases would be filed against the land grabbers soon.

"He said the standing committee had recommended to the government that it take immediate measures to restore government control over the occupied land".

[The *Independent,* 10 June 2004]

The alternative scope of providing land for housing (through acquisition or purchase) is also rather remote as the process itself is very complex and time consuming and also due to the fact that the poor

rarely gets a priority in government commitments. Even process of acquisition of land for higher income housing developments may take decades in Dhaka (as illustrated by the Purbachal New Town Project of RAJUK).

There always are legal disputes and delays associated with the process. An effort has been made since 1988 to modernize land record system through computerization, but even after such a long time, the donor aided project has not been effective because of opposition and interference of vested interests.

Zoning

Dhaka City does not enjoy any clear zoning policy, or at least there is no proper implementation of the concept of zoning. The 1959 Master Plan had kept provisions for residential areas with some commercial and institutional uses. The residential areas were identified with income groups and density standards. Gradually most of the residential areas have become mixed use areas and also to some degree mixed income areas too. Some areas were zoned as low income in the 60s, but some of these also got transformed into middle income or became mixed middle and low income areas. Settlements or neighborhoods of the poor (slums) are not normally recognized by RAJUK and therefore are absent in their (proposed) planning maps. In the absence of any strong zoning regulation or restrictions, the poor do enjoy some degree of freedom in being able to locate themselves at various points in the city. The 1995-2015 DMDP plan which received official approval in August 1997 has not been accompanied by any zoning plan or map. It may only be thought of after the six Detail Area Plans (only recently begun) are completed in the next two years or so.

Sub-division Control

In Dhaka, RAJUK, as the Capital's planning and development authority, plans and controls residential and housing development. All plans must obtain permission from RAJUK. This is applicable for both individual home builders as well as for large and small real estate and housing developers. "Residential estates", "model towns", "new towns" or individual buildings all come under the Building Construction Act and Town Improvement Act, Set back rules etc. and the DMDP (Master Plan, 1995-2015). The Bangladesh National Building Code (BNBC) completed in 1993 has, however, not received government approval. It also has guidelines for buildings.

RAJUK rules stipulate that all residential estates should develop only up to 65 percent of the land for housing purpose and the rest be used for roads, open space, community purpose and other uses. However, in reality the private developers hardly comply with the rules and RAJUK is not able to fully monitor these. RAJUK itself tries to follow the formula in their own residential projects. Individual plots in RAJUK projects are sub-divided to a minimum size of 2 *katha* (1440 ft^2. or 134 m^2). However, the BNBC recommended minimum plot size of 65 m^2 (70 ft^2.). For individual home builders obtaining building permission from RAJUK is a tedious and often unpleasant experience, because of red tape and corruption.

Land Use Policy

A sketchy National Land Use Policy was adopted in 2001, but people hardly refer to this document. Dhaka city is covered by the Town Improvement Act 1953 and the 1959 and 1997 Master Plans for land use policy. None of these have any particular provision for the poor.

Land Ceiling

There is no official ceiling on amount of land or number of housing units that can be owned in urban areas of Bangladesh. However, the nation-wide ceiling of 100 *bighas* (or 13.34 hectares) should prevail in urban areas too. The 1982 Land Reform Committee had suggested the ceiling of 5 *katha* (3600 sq. ft) for individual land owners in Dhaka City. It was never approved and therefore Dhaka (or any other urban area in Bangladesh) has no land ceiling. The 1984 Land Reform Ordinance makes no reference to urban land ceiling.

Density Control

The 1959 Dhaka Master Plan had introduced density control in residential areas. However, the new plan (1995-2015) has no such controls. The Detail Area Plans, if completed in the next two years, may come up with recommendations for density control. As a matter of fact, RAJUK itself keeps or changing or revising density standards even in its own planned areas every few years, disregarding capacity of utility services, roads, and social or community needs. Government planned squatter resettlement projects have implemented 600 persons to an acre density in Dhaka.
Environmental Pollution Control

Bangladesh Government has approved the Environment Conservation Act in 1995, it has also approved the Water-bodies and Wetlands Protection Act in 1999. Both these legal instruments have implications for housing development. If properly implemented, housing development in Dhaka City or Greater Dhaka will be seriously slowed down, as much of the land development in the private formal sector and land and housing in the informal sector is in gross violation of the wetland acts. RAJUK itself flouts its rules from time to time by filling in water bodies to build houses for the influential people. Other government agencies are also seen to be disregarding rules and legal obligations. Private real estate companies violate the act unscrupulously.

All major housing or residential development projects are obligated to obtain "No Objection Certificates" from the Department Environment before getting permission from RAJUK. They normally "manage" such permission without much problem.

Box A3.8: Why Are Land Prices So High in Dhaka?

Other factors related to the investment side of housing contribute as well to the level of land prices. The first one is the city growth. In a simplified Wheaton-diPasquale model of urban land markets, price-to rent ratios are negatively related to the risk-adjusted rates of return available to investors, positively related to the growth rate of the city. Dhaka may be the fastest growing city in the world today, with a growth rate comprised between 3.5 and 4 % per year. Thus, land prices are high. Anecdotal evidence about prices and rents in high standard apartment buildings suggest that cap rates (defined as rent-to-price ratios) may average around 5 or 6%, which is low compared to current inflation. This confirms that expectations of never ending growth indeed drive prices up. These expectations are self-sustained by the fact that housing prices appear to have never fallen in the past.

Other factors fuel the rise of house prices, by making housing in Dhaka the "best" investment available in the country and the first to which even relatively wealthy households would turn to:

- Alternative investments such as stocks, bonds, and financial assets, are either not available in large quantities, not accessible, or of questionable integrity. This is true in particular for private sector workers, for which no pension funds are available and investment in housing is the best way to stock wealth for the retirement period. Moreover, the returns on these products have not shown the steady growth of housing prices in the capital city.

- Housing is also, in the context of the country, the ideal vehicle for the recycling of the money coming from remittances and money from the underground economy,

- Experts mention that rich people from the countryside may want to invest their wealth in housing in Dhaka for security reasons. Buying a flat in an apartment building in Dhaka offers the benefit of anonymity, compared to investing one's wealth in the countryside.

Other institutional constraints not elaborated upon here certainly play a role by impeding the fluidity of the land market: badly managed land records, costly land registration procedures, uncertainty of property rights, difficulties and corruption to obtain building permits, etc. Developers mention that until recently, there was a lack of adequate regulations for land development and construction.

Table A3.2: List of Evicted Slums in Dhaka from 1975 to 2002

Year	No of Slum	Location of evicted slums
1975	13 +	Babupura slum, Palashi slum, Ramna Railway slum, Sohrawardi Hawker's market slum, Kamlapur slum, Shahjahanpur slum, Malibagh slum, Moghbazar slum, Hazaribagh slum, Azimpur slum, Armanitola slum, Tejgaon slum, Bashabo slum.
1981	1	Karatitoal Bastee
1983	1	Kamlapur Railwa Sweeper Colon
1985	2	Agargoan slum [near old Haji camp], Sweeper colony slum [near Pangu Hospital]
1987	1	Lalba h slum [Raj Nara an Road]
1988	4+	Railway slum of Kawranbazar, Shahid Nagar Bastee [Lalbagh], Cantonment camp Bastee of Mirpur, Bihan Colony [Mirpur]
1989	1	Taltola Sweeper Colony, Gulshan-1
1990	8+	Agargaon Bastee, Kamlapur Bastee, Moghbazer Bastee, Babupure Bastee, Kazipara Bastee, Kamlapur Bastee, one slum from Mohammadpur and another from Tejgaon.
1991	2	Nilkhet Bastee, Bakshibazar slum.
1992	2	Palashi Bastee, one slum from Baridhara
1993	3	One slum from Kamlapur and another from Mirpur and Pallabi
1994	3	Agargaon Bastee, South Shahjahanpur, Kollyanpur Pora Bastee in Mirpur
1995	3	Three slums from Azimpur, Panthpath and Kawranbazar
1996	5	Bijli Mahalla slum, Bagunbaii Bastee, Islambag slum, Amtoli slum and Lalbagh slum
1997	2	Bhashantek Bastee, one slum from Mirpur
1998	4	Kawranbazar Railway slum [Twice], Azimpur, Kamlapur
1999	30 •	Sayedabad rail crossing slum, KM Das Lane Bastee, Golapbagh slum, Methorpatti, Sonarbangla Bastee, TT Para Bastee, Rail Barrack slum, Moghbazar Wireless gate Bastee, Comilla slum [Moghbazar], City Law College Bastee, Bakshi Bazar Bastee, Farirupul Box culvert slum, Banani Jheelper slum, Badda Gudaraghat slum, Badda Chaitola Bastee, Banani 11 No. Road slum [WAPDA colony], Bandhara Block F slum, Mirpur Section 11 Block C slum, Shantibagh Munshirtek slum, Ghuntighare slum [Gandeña], Gandana shop slum, Per Gandana slum, Ganderia Rail line slum, Jurain slum, FDC Rail crossing slum, Kawranbazar Truck-stand slum, Tejgaon Kawranbazar Rail way slum, Nakhalpara slum, Tejkunipara slum.
2000	20+	Boat ghat slum [Rayerbazar], Pauibagh Nalirpar Bastee, Jheelpar Bastee [Pallabi], Tongi Diversion Road slum, FDC Front slum, Kawranbazar slum, Tejgaon Industrial Area slums, Begunbari slum, Mohammadpur New Colony slum, Shahjahanpur Rail way Bastee, Kawranbazar Rail way slum, Meradia slum, Moghbazar Wireless gate Bastee, Nakhalpara Rail Gate Bastee, Khilgaon Bastee, Segun Bagich, Banani, Amtoli, Dhaka Medical College Hospital, Tejgoan and others
2001	24+	Agargaon, Badda, Baridhara J Block, Bagunbari, Circuit House Area, Gulshan Taltola, Tejgoan Industrial Area, Tejgoan Railway Colony, Tongi, Tongi Diversion Road, Mohammadpur New Colony, Shahjahanpur Railway, Taltola, Agargaon, Karwan Bazar Railway, Khilgaon, Malibagh, Meradia, Titi Para, Nakhalpara Rail Gate, Proshika Pallabi Jhilpar and others
2002		Amtoli, among others
2003+2004		Agargaon (nearly 40,000 people evicted during March-June)

Source: Rasheda Nawaz, "Right to Shelter", in *Human* Rights in Bangladesh, 2002. Ain O Shalish Kendra (ASK), Dhaka: 2003. Newspapers, Ain o Salish Kendra (ASK), Coalition for Urban Poor, and CUS Bulletin No. 42 (June 2002).

Annex 4: Supplemental Data on Crime and Violence

Box A4.1: The costs of crime and violence

The costs of crime and violence are often divided into four categories: direct /indirect costs, non-monetary costs, economic multiplier effects, social multiplier effects.

Direct and indirect costs

Direct costs of crime and violence measure the value of goods and services spent dealing with the effects of and/or preventing crime and violence through the use of scarce public and private resources on the criminal justice system, incarceration, medical services, housing and social services. The indirect costs include lost investment opportunities, foregone earnings of criminals and victims of crime and violence.

Non-monetary costs

Non-monetary costs measure the non-economic effects on the victims of crime and violence. It is evaluated by taking into consideration: increased morbidity (diseases resulting from violence like disability, mental injuries), increased mortality through homicide and suicide, abuse of alcohol and drugs, depressive disorders.

Economic multiplier effects

The economic multiplier effects measure the overall impact that crime and violence have on the macroeconomic situation of a country, the labor market, as well as inter-generational productivity impacts. For example, victims of domestic violence have higher rates of absenteeism, are more likely to be fired from their jobs, and the domestic violence affects their earning power.

Social multiplier effects

The social multiplier effects measure the impact of crime and violence in such areas as: the erosion of social capital; the inter-generational transmission of violence; the reduction in quality of life; and effects on citizenship, and confidence in and functioning of the democratic process, government and its institutions.

Source: Buvinic, M., Morrison, A., 1999.

Table A4.1:   Perceptions of safety

		Name of slum				
		Shahid Nagar	Rayer Bazar	Mohamm adpur	Pallabi	Total
How safe do you feel in terms of your physical security(crime,violence) in this community?	No safe	161	16	70	41	288
		64.4%	6.4%	32.9%	19.0%	31.0%
	fairly safe	46	139	113	103	401
		18.4%	55.8%	53.1%	47.7%	43.2%
	Safe	18	81	29	9	137
		7.2%	32.5%	13.6%	4.2%	14.8%
	Very safe	25	13	1	63	102
		10.0%	5.2%	.5%	29.2%	11.0%
Total		250	249	213	216	928
		100.0%	100.0%	100.0%	100.0%	100.0%

Source: Slum Observatory Survey on Violence and Crime, 2004

Table A4.2: Respondent's Opinion regarding the Domestic Crime and Violence against Women (Multi-response).

	Name of slum									
	Shahid Nagor		Rayer Bazar		Mohammadpur		Pallabi		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Deterioration in the relationship between husband and wife	198	79.8	191	77.3	216	86.4	244	98.0	849	85.4
Wife beating	175	70.6	208	84.2	196	78.4	198	79.5	777	78.2
Confiscation of wife's money (working women)	109	44.0	122	49.4	126	50.4	164	65.9	521	52.4
Confiscating ornaments from wife	99	39.9	146	59.1	97	38.8	169	67.9	511	51.4
Physical and psychological torture on wife for dowry	145	58.5	183	74.1	176	70.4	196	78.7	700	70.4
Sexual abuse of wife	125	50.4	208	84.2	144	57.6	168	67.5	645	64.9
Non-maintenance of wife	172	69.4	195	78.9	189	75.6	212	85.1	768	77.3
Not taking any responsibility of the children	151	60.9	180	72.9	186	74.4	176	70.7	693	69.7
Misbehaving and physical abuse of the children	48	19.4	204	82.6	149	59.6	145	58.2	546	54.9
Polygamy	194	78.2	163	66.0	220	88.0	206	82.7	783	78.8
Divorce of wife	129	52.0	143	57.9	145	58.0	190	76.3	607	61.1
Have illicit sexual relations with several women in the slum	116	46.8	108	43.7	156	62.4	172	69.1	552	55.5
Have illicit sexual relations with girls / women from other slums in lure of marriage	125	50.4	142	57.5	124	49.6	181	72.7	572	57.5
Selling of household goods by drug addicted males	102	41.1	153	61.9	149	59.6	136	54.6	540	54.3
All	248	24.9	247	24.8	250	25.2	249	25.1	994	100

Source: Slum Observatory Survey, 2004

Table A4.3: Respondent's Opinion regarding the Psychological Effect of Crime and Violence (Multi-response).

	Slum									
	Shahid Nagor		Rayer Bazar		Mohammadpu		Pallabi		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Create psychological pressure on children that lead them to get scared	176	69.8	174	70.2	191	76.7	165	74.0	706	72.6
Slum dwellers have to face psychological pressure in all spheres	173	68.7	169	68.1	192	77.1	141	63.2	675	69.4
Breakdown in the peaceful relationship between husband and wife	117	46.4	201	81.0	207	83.1	192	86.1	717	73.8
Deterioration in family peace and harmony Tremendous mental pressure on the parents for their growing girls	148	58.7	179	72.2	206	82.7	188	84.3	721	74.2
Working women get worried and scared of sexual abuse	122	48.4	174	70.2	199	79.9	163	73.1	658	67.7
Parents worry about their children's involvement in drug abuse	116	46.0	139	56.0	151	60.6	159	71.3	565	58.1
Wives get scared and suffer mental pressure for fear of abuse, beatings	140	55.6	155	62.5	163	65.5	173	77.6	631	64.9
and taking of their valuables by their husbands for gambling	111	44.0	186	75.0	129	51.8	151	67.7	577	59.4
Loss of mental health due to unemployment Perverted sexual desire and acts Possibility of children losing their moral values due to bad environment	149	59.1	141	56.9	192	77.1	170	76.2	652	67.1
Get fed up of day-to-day life	82	32.5	142	57.3	126	50.6	155	69.5	505	52.0
Develop scared mentality due to use of arms and explosives	150	59.5	174	70.2	196	78.7	160	71.7	680	70.0
Loss of normal human values and development of a criminal attitude	124	49.2	187	75.4	180	72.3	173	77.6	664	68.3
within children	144	57.1	135	54.4	179	71.9	160	71.7	618	63.6
Increased tendency to commit suicide because of sexual, physical and psychological abuse	195	77.4	159	64.1	211	84.7	180	80.7	745	76.6
	63	25.0	122	49.2	103	41.4	113	50.7	401	41.3
All	252	25.9	248	25.5	249	25.6	223	22.9	972	100

Source: Slum Observatory Survey, 2004

Table A4.4: Respondent's Opinion regarding the Role of Political Leaders/Institutions in Dealing the Crime and Violence (Multi-response).

	slum									
	Shahid Nagor		Rayer Bazar		Mohammadpur		Pallabi		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Political parties patronize crimes and violence	246	98.4	204	82.3	203	85.3	200	82.3	853	87.1
Clashes among different political parties	188	75.2	154	62.1	187	78.6	190	78.2	719	73.4
Keep political control and leadership through the support of terrorists	186	74.4	129	52.0	168	70.6	171	70.4	654	66.8
Lack of committed and effected leadership	141	56.4	163	65.7	162	68.1	166	68.3	632	64.6
All	252	25.5	248	25.3	238	24.3	243	24.8	979	100

Source: Slum Observatory Survey, 2004

Table A4.5: Respondent's Opinion regarding the Role of Law Enforcement Agencies in Combating/Aggravating Crime and Violence (Multi-response).

	slum									
	Shahid Nagor		Rayer Bazar		Mohammadpur		Pallabi		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Providing shelter to criminals through monetary corruption	227	90.1	211	85.1	229	93.1	211	85.1	878	88.3
Association of the law enforcing agencies with criminal for committing crime	94	37.3	119	48.0	162	65.9	136	54.8	511	51.4
Political pressure disables the law enforcing agencies to work impartially	157	62.3	170	68.5	161	65.4	174	70.2	662	66.6
Misuse of power by the police	173	68.7	187	75.4	166	67.5	172	69.4	698	70.2
Lack of accountability of the police force	122	48.4	·153	61.7	146	59.3	177	71.4	598	60.2
Politicize the administration with the ruling political party	158	62.7	159	64.1	157	63.8	179	72.2	653	65.7
Non-separation of the judicial system from administrative division	35	13.9	98	39.5	77	31.3	132	53.2	342	34.4
All	252	25.4	248	24.9	246	24.7	248	24.9	994	100