
BANGLADESH

Year 3 findings from the Life in a Time of Food Price Volatility Study

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1 INTRODUCTION

Life in a Time of Food Price Volatility is a three-year long (2012 to 2014) longitudinal study. In Bangladesh, the project includes one urban and two rural locations where qualitative research has been conducted. The research focuses on the impacts of food price volatility on paid work, the work of care or looking after families and others, on relationships, and on what is happening to the resources people have with which to cope.

In 2014, the key findings of the research show that in two of the three sites, significant improvement has taken place in lives of poor people in their wellbeing. In the third site, serious flooding has affected both prices and wellbeing. At the first two sites job opportunities and wages have gone up, and multiple household members have started working. School drop outs have decreased and household savings have increased. Overall, the wellbeing and food security of the studied households in these two sites have improved in 2014 compared to previous years. In the third site the lack of NGO and government support after the flooding has caused significant stress.

While hunger has not been such an issue in 2014, quality of food is gradually becoming an important consideration. Processed and unsafe food has become a part of daily life. While for the rural poor eating these food items is occasional and often a choice, for urban poor it is an everyday practice out of necessity. In both rural and urban sites, children eat cheap and unsafe street food (e.g. ice cream and pickles), which may have long-term negative health impacts. The paper presents the key findings of 2014 research in subsequent sections.

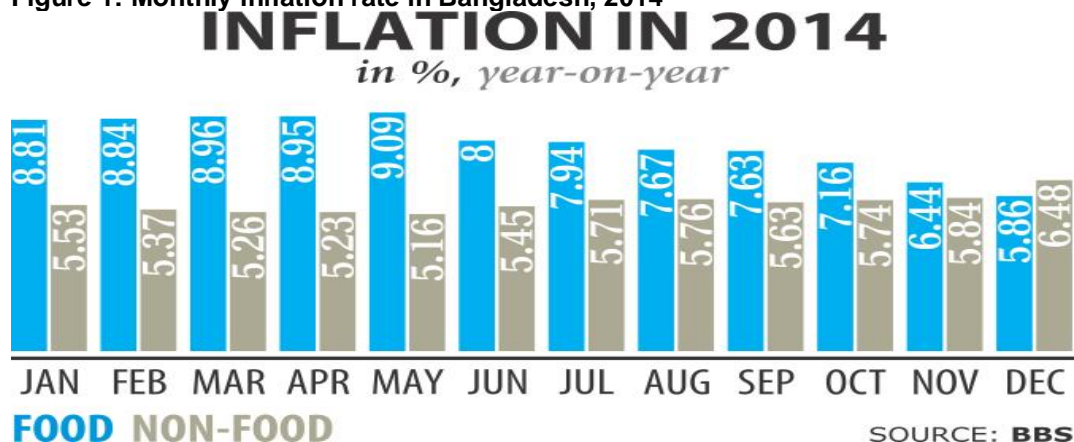
2 COUNTRY CONTEXT

In 2014, Bangladesh has been placed at the 142nd position among 187 countries on UNDP Human Development Index, progressing upwards by one place from 2013. Bangladesh has also been placed among 18 countries making the fastest progress in human development for year 2014 by the UN (UNDP Human Development Index, 2014). According to the International Food Policy Research Institute's report, Bangladesh is among the countries that "saw the largest improvements" in Global Hunger Index 2014 (Prothom Alo, Oct 13, 2014).

In 2014 the Bangladesh government (GoB) continued its various proactive policies to boost agricultural production. Regular supply of agricultural inputs like credit, seeds and fertilizers were ensured throughout the year (Mottaleb and Mohanty, 2014). The GoB maintained food grain stocks and continued government-to-government (G2G) agreements with different countries to increase the security of its imported food supply.

There has been a sharp decline in food price inflation rate for the last several months of 2014 (from 8.81% in January, 2014 to 5.86% in December, 2014) (see Figure 1). In 2014, the political situation was quite stable which also played an important role in the declination in food price inflation. Higher supplies than demand also contributed to the decrease in food inflation.

Figure 1: Monthly inflation rate in Bangladesh, 2014



Source: Bangladesh Bureau of Statistics, 2014

3 FIELD RESEARCH FINDINGS 2014 AND CHANGE OVER THREE YEARS

3.1 Wellbeing of households and individuals

Food consumption

People of the Dhaka site were eating well in 2014. They were able to afford three meals per day as well as fish several times per week. People were prioritising quality of food over price of food. For example, instead of buying subsidized low quality rice from the trucks of Open Market Sales (OMS), most people preferred to buy better quality rice from shops, paying comparatively higher prices. Nagor Ali (KII Dhaka field) opined in this regard:

'There is no more misery among the people. Previously they could not buy pulses if they bought rice, now they can afford both together. Now though the earning is not that high both income and expenditure are equal. Now people don't have to borrow to eat, rather they borrow to establish new business. I have taken a loan to establish my video game business.'

In 2014, in Khulna, crop and vegetable production has been excellent due to the removal of salinity from the land in 2012. As a result, the adequate food security has been restored. But the situation was totally different in other study site, Naogaon, where paddies and vegetables were damaged by floods and fishponds were washed away. Food prices increased significantly and many poor people even started scavenging.

Work

In Dhaka, though work opportunities for the poor remained the same, their income has increased in 2014 due to higher wage rate and multiple members engaging in earning. The higher wage rate has been a trend in the country overall which has positively affected the poor people in all sites. Moreover, in Khulna, due to development interventions after cyclones, people have been exposed to new skills and technologies which have been helping them diversify their jobs and earning. For example- a wide range of alternative job opportunity projects are being implemented by NGOs with assistance from the

European Union that introduced production of vegetable, paddy and fish simultaneously in the same agricultural land. But as Naogaon faced a flood and no new social protection or development project was implemented, people had to fend for themselves. Many poor people had to engage in non-agricultural work (e.g. rickshaw van pulling) due to disruption in agricultural work. Many had to migrate to other places to find work.

Family and society

The increasing trend of more women being engaged in paid work caused a visible change in the distribution of family responsibilities between male and female household members in Dhaka site. Men are now increasingly taking part in household chores like cooking, clothes washing, baby sitting etc. However, slum residents remained vulnerable to the threat of eviction. In Khulna, children's education had been severely disrupted by cyclones and an alarming rate of school dropout had persisted in 2013 as many poor children had to work and earn. But in 2014 the scenario has changed and many children were found to be back to school. Moreover, despite economic difficulties, noticeable school dropout did not take place in Naogaon.

3.2 Coping

Work

In Dhaka, having more than two family members working and earning has been a common scenario. According to respondents, a typical household spends the earnings of two members to meet their living expenses. If a third household member is working, the household tries to save his/her earnings for future. In Khulna, increased job opportunities in agricultural sector resulted in two positive changes. First, it increased the overall household income and food security and second, poor people who were engaged in precarious jobs (e.g. collecting honey and palm leaves from the mangrove forests) switched to the less risky agriculture sector. With the increased agricultural production in Khulna, the migration rate of this area has decreased drastically. The opposite happened in Naogaon. Moreover, to cope with post-flood difficulties, many households in Naogaon took micro-credit from NGOs to establish non-agricultural business or just to meet day to day regular expenses.

Food choices

In 2014, people of all three study areas were following the same strategies adopted in early years. Substituting food items, eating less, or cutting food expenses remained the major coping strategies.

Unpaid care

In Dhaka, we have witnessed remarkable change in unpaid care work and distribution of household responsibilities among men and women in 2014. Mir Shahid (Male FGD respondent from Dhaka field) said:

“It is very tough to maintain our family with the income of one member. If my wife doesn't [also] earn we have to suffer from hunger. When my wife stays at home I could get better care but had to face complicity in managing sufficient food.”

Due to increased involvement of women in economic activities, men had to take part in unpaid care work. In Khulna and Naogaon the status of unpaid care situation was same as before.

Investments

Both in Khulna and Dhaka, some people were buying land and constructing dwelling houses. This is a clear indication of capital investment for better life. Increased household income in Dhaka (due to multiple members working and increased wage rate) and bumper harvest in 2014 in Khulna resulted in

affordability of households to invest in such endeavors. Some poor people in Naogaon were also compelled to invest in repairing their dwellings due to damages caused by flood. People managed the money from non-agricultural wages and micro-credit.

3.3 Support and social protection - what are the most important changes

The government social protection support has remained same in all three study sites in 2014. Compared to 2013, NGOs were providing more support in Kallyanpur slum in 2014 (Dhaka site). A good number of rickshaws, along with some stipend, were provided by DSK (an NGO) to ultra-poor households under the DFID funded “Economic Empowerment of the Poor” challenge fund. We also witnessed significant changes in NGO interventions in Khulna in 2014. People of Khulna site received salinity compatible paddy seeds with the help of various NGOs. Again in Khulna, instead of providing cash, JJS (NGO) started some new projects in 2014, such as providing training, agricultural inputs, assets and credit assistance to encourage farmers to diversify income. We did not find any significant changes in NGO interventions in Naogaon. Like previous years the benefit of the NGO assistance remained invisible.

3.4 Processed and unsafe foods

Kinds of food

We can classify various types of unsafe and processed foods consumed by poor people in some categories like children’s food, snacks, heavy meal and drinks.

Why are they chosen

Availability and cheap price of these unsafe and processed foods are main reasons for taking such foods. Both in urban and rural areas, working people leave home early in the morning and do not get enough time to prepare and eat breakfast at home. Urban women working outside has also contributed to not cooking breakfast at home. Thus, taking food from outside becomes a part of their daily life. Also, children are attracted to these foods by eye-catching and colorful packets and advertisements on TV. Often children think being able to afford these snacks increases their status among their peers.

Rickshaw pullers and day laborers are the main customers of roadside unsafe foods. Hasan, a rickshaw puller of Dhaka site stated:

“Previously I used to eat cooked breakfast at home. But, I would be late to reach the garage after breakfast, and often found only the broken rickshaws were left for me to hire for the day from the garage owner. Now I leave early in the morning and take breakfast from outside after hiring the rickshaw first.”

Sometimes, poor people find the road-side food cheaper than the home-made breakfast. Because of their physical hard labor they feel hungry frequently and roadside snacks and meals become easy and affordable solution. Maruf, a rickshaw puller said:

“Rickshaw pullers take tea and cake after every 2-3 trips. We earn around 100tk per 2-3 trips and spend 10 to 15 tk (for taking street side food).”

People in general take processed and unsafe foods because these save time, taste good and are readily available when one needs to eat something.

What are people's worries

Despite convenience and regular consumption, unsafe and processed foods make people worried because street vendors use various low quality ingredients and dirty water to prepare the food, use same cooking oil over and over again to fry the snacks, and very often vendors use no covers to protect food from dirt. These low quality, unhygienic food practices have health impacts, including acidity, food poisoning, diarrhea, and typhoid etc. While answering the question about the quality of street food in slum area our FGD respondents (Dhaka) shed light on the making process of some street foods:

“Two very popular street foods in slum are ice cream and pickles. Both young and elder people are fond of these foods. This ice cream is made of unsafe water and costs only two to five taka. The business of pickle is quite popular in slum areas and these pickles are made in home. If anyone witnesses the actual scene of preparing pickles none will further take this. No one can guarantee that cockroach, rat, cat etc haven’t walked over these pickles at night. Again saccharin is being used to make these pickles which are very harmful for human body. Furthermore these pickles are displayed in the open air without any cover... Seasonal cake (locally called ‘Pitha’) is a common business during winter season. These cakes are sold under open sky near walking streets with full of dust. Again the cake bakers are using the same hands for placing woods in the oven and making the mold of the cake without even cleaning their hands.”

From this statement it is evident that these foods are prepared in an unhygienic environment which people fear may be detrimental to health. Though people are aware of this, they still eat them.

3.5 What kind of regulation and information is done and by whom?

In all the three study sites few initiatives have been taken to stop selling unhygienic and unsafe food. In Dhaka, the ‘Slum Resettlement and Savings Committee’, in association with an NGO, collectively organised an awareness raising campaign about the implications of covering food, cleaning hand before taking food, drinking boiled water, not taking unsafe street food etc. However, poor people have no power or authority to stop selling of unsafe food. Male FGD respondents from Dhaka complained about the role of administration in this regard saying that *‘Though administration is responsible for maintaining food quality, they don’t take any corrective measure.’*

4 ANALYSIS OF FINDINGS

4.1 Links between local, national and global conditions and actions

The global prices of most commodities (e.g. rice, oil, soybean oil, sugar etc.) have been on a long-term downward trend since the recession of 2007-2009. Over the past three years the global food prices have fallen significantly. According to the latest edition of FAO's biannual *Food Outlook* report in 2014 the international food markets were more stable and prices for most agricultural commodities were sharply lower than they had been in recent years. According to the International Monetary Fund data, the annual average global price in November 2014 was 3.9 percent lower compared to the corresponding month in 2013. Global oil prices also hit a record low during the last several months of 2014.

If we look at the national food price situation in Bangladesh we can see because of favorable international price trends - lower prices of food and oil at the international market, the food price has been stable in national market. Instability in food price also resulted from disruption of the food supply during the period of political turmoil. The Trading Corporation of Bangladesh estimated that due to severe political unrest in

the last two months of 2013 the rice prices marked a rise by 6-14 percent in 2013. In 2014, the political situation was stable in comparison with 2013. As a result, overall, people did not experience food price volatility in 2014, with the exception of Naogaon due to flooding.

4.2 Changes over three years

Changes in wellbeing, coping strategies and social support and protection over three years in three study fields are given below:

Wellbeing

Working opportunity: In 2012, there were multiple working opportunities in Dhaka study area but the jobs were often hazardous. In 2013, there was an increase in working opportunities in Dhaka and though in this period people suffered from the fear of losing their job, it was quite easy to find another job relatively quickly. In 2014, there was significant diversity in working opportunity in Dhaka compared to other study areas. In Dhaka, political stability and continued economic growth in 2014 led to positive trends in increasing work opportunities for poor people. For instance, some of our respondents shifted to more skilled based occupation (one respondent started working as car driver who was previously a motor mechanic. Another one started working as rickshaw mechanic who used to pull rickshaw in previous years) than the preceding year which enabled them to earn more in 2014. However, the respondents mentioned that the garment factories now ask for the national identification card of job-seeking women. Therefore, girls below 18 years of age cannot enter into garment factories anymore. In previous years, they could manage to join even if they were under-aged.

In Naogaon, land owners were dissatisfied with high wage rate for agricultural workers, but day laborers were quite happy with multiple working opportunities in 2012. In 2013 and 2014, we did not find any significant changes in working opportunity in Naogaon. However, Naogaon faced a local flood that caused significant livelihood and food and nutrition problems for the poor. Flooding, being a regular phenomenon in Bangladesh, is not as attractive as a cyclone or climate change for both the Government and the development partners to come up with tailored development interventions. Thus, the people in this site faced a decline in their economic status. People coped by eating inferior food, letting children work, migrating in lean seasons and diversifying livelihood in non-agricultural sectors. People took loans from NGOs to establish non-agricultural businesses as a means of creating alternative income sources.

In 2012 as a post-cyclone disaster impact, we witnessed declining opportunities in agricultural occupations and massive transformation in occupations in Khulna. In 2013 the situation remained unchanged. In 2014, people of Khulna were getting back to their traditional agricultural occupations. In 2012, and 2013 people could not produce crops because of salinity of the soil. Regular rainfall over two years reduced the effect and the soil has become fertile again. In contrast to Naogaon, post-disaster development interventions and later climate change adaptation programming (e.g. alternative income generation project with support from European Union and Concern Worldwide and implemented by local NGO JJS) have caused this positive growth in Khulna.

Food situation: In 2012, hikes in prices were prevalent in all three study areas. In 2013 and 2014 price of food and other goods followed the same trend.

In 2012, in Khulna, people faced the threat of imminent food insecurity. Through 2013, people of Khulna could not buy their necessary food and had limited choices in times of price volatility. In 2014, crop production broke all the records of previous years in and resulted in an improved food security situation. After meeting the household demands, even small farmers sold surplus rice and vegetables in local markets. As the transportation situation is very poor in the area, Khulna farmers do not commonly carry

their produced vegetables to distant places. Therefore, the large supply of vegetables in local markets kept the food price low.

In 2013 and 2014, people of Dhaka had the ability to buy food according to their choice and could change their choices in times of price volatility. The key reason in most of the cases was that the number of income earners increased, making use of the available diversified work opportunities. In the same period however, people of Naogaon did not have the ability to buy sufficient food and did not have alternative choices in times of price volatility. On one hand, the high fuel price increased production cost and on the other hand low market price has resulted in very low or no profit for farmers. The flooding on low-lying vegetable fields also reduced the supply of vegetables to the markets, and the available vegetables were beyond affordability of poor people.

Saving for future: In 2012, in all three study areas, people had no savings. In 2013, the people of Dhaka had the ability to save some money every month. But at the same period the people of Naogaon and Khulna had no savings. In 2014, the people of Dhaka became very cautious about their future and had saving plans. As they experienced irregularity of income in the past, they have been trying to save money for the crises periods using different formal (NGO's saving and loan scheme) and informal (cooperative society, saving kept at relative's house) options. In 2014, the people of Naogaon had no significant change in savings plan. Many households in Naogaon are still struggling to repay their already borrowed loans from relatives and local NGOs. However in Khulna people started thinking about their future in 2014 with increased income.

4.3 Specific issues with unsafe and processed foods

Most people in Bangladesh are aware of negative impacts of unsafe and processed food. But, the regulatory authorities are not active and capable enough to ensure good standard of food. The Food Safety Act was only passed in 2013 in Bangladesh. Due to high involvement of both man and women in income generating activities, both adults and children in urban slums become the main victims of these unsafe processed foods. As urban women are engaging in income generating activities more than before, they have less time to cook at home resulting in household members eating outside. Moreover, as there is no gas connection in the slum, many people take food from outside to minimize the expense of fire wood (It takes 12tk for one kg fire wood). In this context, many poor urban women have turned into entrepreneurs themselves and started cooking and selling food items to poor clients. However, poor people were found to be more worried about formalin (used to keep fish and vegetables fresh for a long time) in fish, vegetables and fruits than about the safety of roadside processed food. We found an interesting finding while interviewing a respondent of Dhaka. He believed that taking processed food from the outside home has negative impacts on family ties (because taking food together is helpful for improved family bonding). He suggested that it influences family members to cultivate individualistic attitude by reducing dependency on family which might have a long lasting impact on society.

5 CONCLUSION

The wellbeing of the people in the study areas provides us with three different situations. The study of 2013 revealed that the people living in Dhaka had experienced some significant improvements in their day-to-day life in that year compared to that of the previous year. In continuation of the previous year, in 2014, the people living in Dhaka site continued to attain significant improvements in their day-to-day life like nutritious foods, increased occupational opportunities, increased income and increased involvement of women in income generating activities. We found a remarkable change in unpaid care work and

distribution of household responsibilities among men and income-earning women in the Dhaka research site in 2014. Another key consequence of increasing women's involvement in income generating activities is dependence on processed food by the household members. As the women lack time, and cooking is expensive compared to processed and cooked food from outside the house, people in Dhaka are found to be more dependent on such food items. The health impact of processed food on children of the low income households may turn into a concern for future research. Unlike 2013, the threat of eviction came back to slum dwellers' lives.

In 2013 we did not find significant improvement in the lives of the people live in Khulna. They had been suffering from the long lasting impacts of cyclone Aila. But in 2014, we found some significant positive changes in the food security situation, migration situation, occupational involvement and educational participation in Khulna. The long-term impacts of climate change adaptation projects in Khulna and the gradual reduction of soil salinity together helped people of Khulna site to improve their overall situation compared to previous years. People were returning to their traditional agriculture related professions and the rate of migration decreased dramatically. The improved food security situation with improved earnings minimized the number of school dropouts.

On the contrary, in the Naogaon site, recent floods made poor people's lives more fragile than in the previous year. The low supply of rice and vegetables in the market caused high price volatility. Small farmers are struggling to manage their production cost because of fuel price and labor cost. Day labourers are finding fewer opportunities for work as farmers began depending more and more on agricultural technologies (e.g. tractors) compared to manual labor. As a consequence, migration to other areas in search of livelihood, higher incidence of borrowing, and school dropouts were noticed in Naogaon.

If we compare the situation of Khulna and Naogaon sites, the level of attention from government and development partners to deal with natural disasters can be claimed as an important factor for different scenarios. While cyclone Aila in Khulna and its aftermath received attention from both government and NGOs, the flood in Naogaon did not. As a consequence, people from Khulna are found to overcome the effects of natural disaster gradually after five years of occurrence of Aila. On the contrary, people in Naogaon are struggling to cope with the impact of flood without any institutional intervention for the flood-victims.

In conclusion, it may be stated that over the research years, we have recorded mostly positive changes in the lives of the poor. However, these changes are subject to sudden exogenous shocks (e.g. changes in job market of the ready-made garments sector in Dhaka for girls, or natural disaster in Naogaon) to make the poor people fall back to poverty.

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