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Becoming Poor: Social Protection Experiences of and Attitudes Towards New Urban Poor After Covid-19 in Bangladesh

**Keetie Roelen, Md. Shakil Ahmed, Kabita Chowdhury,
Vidya Diwakar, Lopita Huq, Saklain Al Mamun, Abu
Sayem Rabbi, Nuzaba Tahreen Rahman, Raisa Rownak,
Maheen Sultan and Shilohni Sumanthiran**

February 2024

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Summary

The Covid-19 pandemic led to a large increase in poverty in Bangladesh, especially in urban areas. Rising food prices and high inflation rates further compounded already high levels of socioeconomic uncertainty. Social protection is vital to help mitigate the effects of crisis and make households more resilient to uncertainty. This paper provides insights into urban residents' experiences of poverty and the support they received since the Covid-19 pandemic, and derives implications for social protection programming in urban Bangladesh. Using secondary longitudinal data collected since the start of the pandemic with new quantitative surveys and qualitative data collected in Kallyanpur, Dhaka and Shantinagar, Chittagong in March 2023, the study points to high levels of precarity; poverty's toll on mental health; widespread stigmatisation and discrimination of residents of low-income neighbourhoods, and inadequate social protection support. It argues for the need to expand social protection in urban areas; counter area-based discrimination; ensure dignified delivery of assistance, and provide an integrated policy response.

Keywords

Social protection; urban poverty; Covid-19; precarity; Bangladesh.

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Executive Summary

The Covid-19 pandemic led to an increase in urban poverty and compounded insecure and volatile living conditions in low-income neighbourhoods. Between February 2020 and March 2023, more than half of respondents moved in or out of poverty at any point. Households face reduced socioeconomic resilience, depleted savings, accumulated debt, price hikes and limited work opportunities. In March 2023, three years after the onset of the pandemic, poverty rates were still considerably higher compared to pre-pandemic levels.

Economic uncertainty and poverty are associated with stress and poor mental health, especially among women and those with lower incomes. Stress is related to the struggle to make ends meet as well as wider concerns about living in low-income neighbourhoods, such as unsafe housing conditions or short-term leases.

Residents of low-income neighbourhoods experience stigmatisation and discrimination, especially when moving outside of their neighbourhoods to find work or access services. They may be refused jobs, are unable to enrol their children in school, or are turned away at public institutions when being honest about where they live. People in poverty feel like second-rate citizens.

Emergency relief was available in urban areas during the Covid-19 pandemic, but government social protection was patchy and remains difficult to access. Support was and is largely inadequate with transfers being low in value. Being connected to those in power was important to get access to relief provided by community leaders and government during the pandemic. Non-governmental organisations (NGOs) were generally deemed to operate in a more transparent manner, yet personal connections were nevertheless deemed important to be placed on programme lists.

Sale of food through food trucks is widely accessed in low-income urban settlements but delivery, especially in public spaces, can be problematic. Issues included the length of time having to stand in the queue; women feeling harassed by men; tensions or fights breaking out in the lines; not having choice of products, and food running out before reaching the front of the queue.

There is strong consensus that people should not feel ashamed to receive government or NGO support as government is seen to have a responsibility to help reduce poverty. However, experiences of asking for formal support show it is associated with shame. This is especially true for those having had a stable job or being seen as having a more prosperous or stable economic situation in the past.

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Acronyms

BIGD	BRAC Institute of Governance and Development
CLEAR	Covid-19 Learning, Evidence and Research
CTG	Chattogram
DHK	Dhaka
FGD	focus group discussion
IDI	in-depth interview
K6	Kessler Psychological Distress Scale
KII	key informant interview
NGO	non-governmental organisation
PPRC–BIGD	Power and Participation Research Centre-BRAC Institute of Governance and Development
RMG	ready-made garment
TCB	Trading Corporation of Bangladesh

1. Introduction

The Covid-19 pandemic led a large increase in poverty in Bangladesh. Estimates based on the Power and Participation Research Centre–BRAC Institute of Governance and Development (PPRC–BIGD) Livelihood Survey indicate that 21.2 million people had fallen into poverty after the first lockdown period in June 2020 (Rahman and Matin 2021). This fell to 14.7 million in March 2021 before rising again to 19.5 million in August 2021. Against a backdrop of rural-focused social protection schemes and disaster contingency plans (Kahn and Kahn 2021), poverty increased by twice as much in urban areas compared to rural areas (Rahman and Matin 2021). Rising prices and costs of living – with the inflation rate at 9.5 per cent in August 2022 and 9.7 per cent in July 2023 (Bangladesh Bank 2023) – suggest that many millions of people, especially in urban areas, are facing long-term socioeconomic uncertainty.

In a bid to protect those most vulnerable to the socioeconomic consequences of the pandemic, Bangladesh expanded its social protection system, including to the formerly excluded urban poor populations (Rahman *et al.* 2020). The Prime Minister's cash support scheme, for example, targeted one-off payments at five million informal workers who lost their jobs due to Covid-19 and were not receiving any other form of social protection (Hebbar, Muhit and Marzi 2021). While such schemes undoubtedly helped to relieve some of the pressure, their relatively low transfer levels meant they only contributed to meeting subsistence needs (*ibid.*).

Moreover, though the need for the social protection system to be extended to cover people in poverty in urban areas was already recognised in the 2015 National Social Security Strategy (NSSS) of Bangladesh, only 9 per cent of urban residents benefit from social security (compared to 30 per cent of rural residents) (Government of the People's Republic of Bangladesh 2015). Overall, limited information is available about experiences with social protection, what types of relief were available at the time of the pandemic, or how they benefited urban city dwellers in need of support.

Poverty has many socioeconomic consequences, both material and non-material in nature. A vital but often overlooked aspect of struggling to make ends meet is the mental toll it takes. Falling into or experiencing poverty can have a severe impact on psychological and social wellbeing (Lund *et al.* 2010). This, in turn, can keep people trapped as poverty can undermine cognitive functioning and the ability to take strategic action (Haushofer and Fehr 2015).

Socioeconomic relief, such as that provided through social protection, can counteract poverty-induced stress and its associated consequences (see Haushofer *et al.* 2020; Hjelm *et al.* 2017). However, stigma, negative attitudes,

and pejorative treatment of people on low incomes receiving relief can reinforce the psychosocial poverty trap (Roelen 2020). To our knowledge, no study in Bangladesh has explored the psychosocial consequences of living in urban poverty or attitudes towards low-income recipients of social protection or other types of relief.

Against this backdrop, this study extends knowledge about urban poverty and social protection in Bangladesh by: (i) assessing poverty trends and trajectories between February 2020 and March 2023; (ii) providing insight into experiences of urban poverty in Bangladesh following the Covid-19 pandemic and changes in livelihood strategies since then; (iii) understanding psychosocial consequences of new, persistent and transitory poverty of city dwellers in low-income neighbourhoods, and (iv) analysing access to social protection and other types of relief since the onset of the Covid-19 pandemic, and experiences with accessing such relief.

This study focuses on the urban centres of Dhaka and Chattogram. A focus on poverty and social protection in urban areas, and in Dhaka and Chattogram in particular, is merited for several reasons. First, cities are home to large proportions of the Bangladeshi population. As noted in the Government of Bangladesh's Urban Social Protection Strategy and Action Plan: 'Around 60% of Bangladesh urban population live in metropolitan cities. Only in Dhaka and Chattogram are they home to more than 48% of the urban population' (Government of the People's Republic of Bangladesh 2020). Second, urban areas have been more acutely and disproportionately affected by the Covid-19 pandemic (Rahman and Matin 2021), yet urban poverty has traditionally received less attention in research and social protection policy (Roelen, Archibald and Lowe 2021). Finally, coverage of social protection is much lower in urban areas (Government of the People's Republic of Bangladesh 2020) despite vulnerabilities that put urban residents, and especially informal workers, at greater risk of shocks such as the Covid-19 pandemic.

The paper is structured as follows: section 2 outlines the methodology underpinning the analysis, while section 3 presents key study findings based on the mixed methods data analysis. Finally, section 4 discusses policy implications of the research and concludes.

2. Methodology

This project is based on an interdisciplinary approach and mixed methods methodology. Mixed methods approaches are now widely applied in the social sciences (Roelen and Camfield 2015), including research on social policy (Bryman, Becker and Sempik 2008), development studies (Shaffer 2013) and policy evaluation (Ton 2012). The combination of quantitative and qualitative approaches – also sometimes referred to as q-squared approaches – are also increasingly used in research on longitudinal poverty and poverty dynamics (see Davis and Baulch 2009; Diwakar and Shepherd 2022).

Methods for data collection and analysis included:

Five rounds of nationally representative **secondary longitudinal survey data**, collected by PPRC and BIGD between April 2020 and May 2022. This data offers a key source of information on the socioeconomic impacts of the pandemic on households, coping strategies, and formal and informal support mechanisms (BIGD 2023).

One round of **primary survey data**, administered with a sub-sample of the longitudinal PPRC–BIGD survey in low-income neighbourhoods in Dhaka and Chattogram in March 2023, thereby adding an additional wave to the longitudinal data set in these two cities.

Primary **qualitative data** collection in selected low-income neighbourhoods in Dhaka and Chattogram, including 12 in-depth interviews (IDIs), four key informant interviews (KIIs) and six focus group discussions (FGDs) across Kallyanpur in Dhaka and Shantinagar in Chattogram in June 2023.

Table 2.1 provides an overview of the quantitative data included in this study, and their samples. Throughout the report, we include analysis on the basis of three different samples.

First, a balanced panel of longitudinal PPRC–BIGD survey data, including respondents that took part in all waves included in the dataset. This panel data includes 3,380 respondents in each wave and covers the whole of Bangladesh. 56.1 per cent of respondents reside in urban areas, compared to 43.9 per cent in rural areas. Out of the national sample, 11.1 per cent of respondents lived in Dhaka and 7.6 per cent in Chattogram. The sample of the longitudinal PPRC–BIGD balanced panel data has a strong gender bias, with 80.4 per cent of the sample constituting male respondents. It is also noteworthy that the panel sample includes respondents across a much wider income distribution with median self-reported monthly income of the top quintile amounting to 21,233 Taka. We use this data for analysis of socioeconomic conditions, including poverty trajectories, during the period of the pandemic for the whole of the country.

Second, the primary survey data, also referred to as 'CLEAR data', that was purposively collected for this study in March 2023. The sample list was drawn from the longitudinal PPRC–BIGD survey, with all households from across Dhaka and Chattogram who had participated in any of the five rounds of the PPRC–BIGD survey that were conducted between April 2020 and May 2022 having been invited to participate. The newly collected CLEAR data set includes 650 respondents, with 56.1 per cent of respondents from Dhaka and 43.9 per cent living in Chattogram. Responses are roughly equally split between women and men. Median income (based on self-reported monthly income) by quintile indicates that the sample overall includes primarily low-income households, with median income of the richest quintile being 7,500 Taka. We use this data to gain detailed insight into issues of interest for this study, including the psychosocial effects of poverty and experiences with social protection.

Third, we created a balanced panel by merging the PPRC–BIGD data set and the newly collected CLEAR data set. This offers a unique new data set with information from February 2020 to March 2023, thereby spanning the pandemic and post-pandemic recovery periods. This dataset includes 311 respondents. The sample is considerably smaller than the primary CLEAR data set as more than half of all households included in the CLEAR data sample did not participate in all rounds of the PPRC–BIGD survey. Sample characteristics are more akin to those of the CLEAR data sample than the wider PPRC–BIGD sample, with a slightly larger proportion of respondents residing in Dhaka, roughly equal gender representation, and relatively low incomes across the board. We use this data for analysing poverty trajectories between February 2020 and March 2023.

Table 2.1 Quantitative sample overview

Categorisation	PPRC–BIGD balanced panel only (wave 5 info)	CLEAR Becoming Poor data, March 2023	PPRC–BIGD balanced panel plus CLEAR data
Number of respondents (N)	3,380	650	311
Area – urban (%)	56.1	100.0	100.0
Area – rural (%)	43.9	0.0	0.0
City – Dhaka (%)	11.1	56.1	57.6
City – Chattogram (%)	7.6	43.9	42.4
City – other (%)	81.3	0.0	0.0
Gender – women (%)	19.6	48.6	43.7
Gender – men (%)	80.4	51.4	56.3
Median income Quintile 1 (Taka)	1,733	1,500	1,500

Median income Quintile 2 (Taka)	6,500	2,750	2,575
Median income Quintile 3 (Taka)	9,100	3,750	3,700
Median income Quintile 4 (Taka)	13,000	5,000	5,000
Median income Quintile 5 (Taka)	21,233	7,500	6,750

Source: Authors' own. Created using project data.

Note: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Tables 2.2 and 2.3 provide an overview of the qualitative data that was purposively collected for the purpose of this study. The cities of Dhaka and Chattogram were pre-selected as main study locations as almost half of poverty in Bangladesh can be found in these two urban areas (Government of the People's Republic of Bangladesh 2020). According to the 2022 census, the total population of Bangladesh was 165 million, with 44 million and 33 million living in Dhaka and Chattogram districts, respectively (Bangladesh Bureau of Statistics 2022). Within these locations, research sites and selection of IDI participants were based on preliminary analysis of the newly collected CLEAR survey data. We selected the low-income neighbourhoods of Kallyanpur in Dhaka and Shantinagar in Chattogram as study sites as these included a large number of respondents to ensure a diversity of participants in the qualitative research. Respondents were subsequently selected by considering their demographic and socioeconomic characteristics, identifying individuals across the age distribution, with different types of occupation and varying levels of income as reported in March 2023. We also aimed for an equal gender split. The qualitative data in each research site also includes an FGD with female and male community members. Participants in these activities constitute a mix of those who participated in the IDI, took part in the CLEAR survey, and were not involved in previous data collection efforts. The FGD with community leaders included participants who identified or were referred to as local leaders.

Quotes included in this study are coded to reflect where they were collected (CTG for Chattogram, DHK for Dhaka), from what type of activity they originate (IDI, FGD or KII), respondent ID number (for IDI), gender, and poverty trajectory (for IDI).

Table 1.2 Qualitative sample overview for Kallyanpur, Dhaka

Category	ID no	Age	Gender	Occupation	Main income earner?	Poverty trajectory February 2020 – May 2022 (Taka)	Income March 2023	Poverty status March 2023
IDI	1	40	Female	Housewife	Yes	Impoverished	4,900	No longer Poor
IDI	2	41	Male	Petty business	Yes	Impoverished	2,100	Still poor
IDI	3	50	Female	Petty business	No	Impoverished	3,800	No longer poor
IDI	4	69	Male	Government and other assistance	Yes	Impoverished	1,500	Still poor
IDI	5	55	Male	Mason/ carpenter	Yes	Impoverished	3,500	Still poor
IDI	6	35	Female	Maid	No	Persistently poor	3,250	Still poor
FGD Community Leaders			Mixed					
FGD Female community members			Female					
FGD Male community members			Male					
KII Ward Councillor			Male					
KII Teacher local school			Female					

Source: Authors' own. Created using project data.

Note: *p<0.1; **p<0.05; ***p<0.01.

Table 2.3 Qualitative sample overview for Shantinagar, Chattogram

Category	ID no	Age	Gender	Occupation	Main income earner?	Poverty trajectory February 2020 – May 2022 (Taka)	Income March 2023	Poverty status March 2023
IDI	7	27	Female	Ready-made garment (RMG) worker	Yes	Impoverished	2,000	Still poor
IDI	8	30	Female	Housewife	No	Persistently poor	3,000	Still poor
IDI	9	57	Male	Contractual workers	Yes	Persistently poor	1,400	Still poor
IDI	10	45	Female	Housewife	No	Persistently poor	6,666	No longer poor
IDI	11	60	Male	Petty business	Yes	Transitory poor	4,000	No longer poor
IDI	12	42	Female	Housewife	No	Transitory poor	6,000	Still poor
FGD Community Leaders			Mixed					
FGD Female community members			Female					
FGD Male community members			Male					
KII Ward Councillor			Male					
KII Teacher local school			Male					

Source: Authors' own. Created using project data.

Note: *p<0.1; **p<0.05; ***p<0.01.

Methods were mixed in both a sequential and parallel manner. Design of data collection tools and data collection itself took place sequentially, with preliminary analysis of secondary quantitative data feeding into the design of primary quantitative survey, and preliminary analysis of the secondary and primary quantitative survey feeding into design of the qualitative tools. Analysis took place in a parallel manner, with quantitative and qualitative data kept in conversation with each other throughout the analytical process. Researchers working across the methodological and disciplinary spectrum reflected on the various forms of data together to arrive at new and meaningful insights. The interdisciplinary team worked together throughout the research process – from inception through to analysis and write-up – to gain rich and deep insights into the questions at hand.

We acknowledge various limitations to the data and measures used. For example, poverty estimates across all waves of the survey data was derived using self-reported monthly income by households compared to an inflation-adjusted poverty line. The situation might be quite different if relying on a more detailed approach to poverty assessment; however, partly for consistency with existing survey waves, a similar approach was employed for the new data collection. In addition, we focused data analysis on urban low-income settlements within two districts, which understandably is not reflective of the wider urban population in those districts nor the country (as illustrated by median incomes across quintiles in Table 2.1). Moreover, the combined balanced panel of secondary PPRC–BIGD survey data and newly collected CLEAR data is prohibitively small for undertaking parametric analysis of drivers of poverty trajectories.

3. Findings

3.1 Poverty dynamics

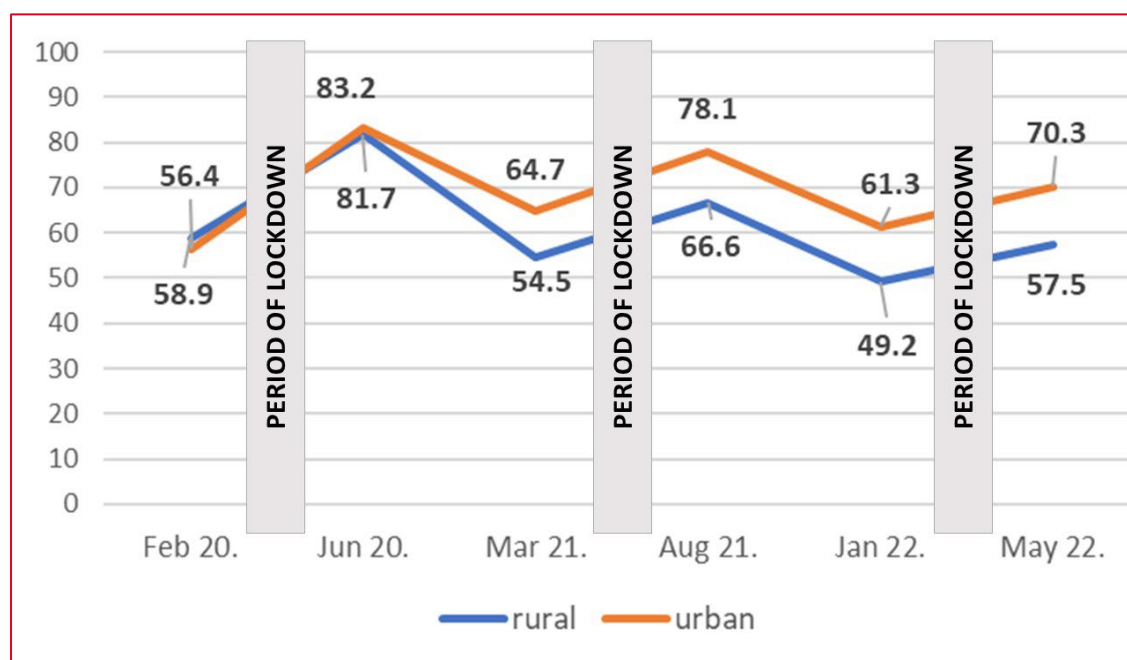
Analysis of longitudinal data both across Bangladesh and within the urban areas of Dhaka and Chattogram point to the first key finding that the Covid-19 pandemic and intersecting crises led to an increase in urban poverty and compounded insecure and volatile living conditions in low-income neighbourhoods.

Analysis of poverty dynamics across the country between February 2020 and May 2022 (Figure 3.1) shows considerable variations in headcount rates. Spikes in poverty follow periods during which lockdown measures to curb the spread of the virus were in place (implemented with varying degrees of strictness). This happened despite such measures having been curtailed, as government prioritised people's livelihood needs rather than health protection (BIGD and ARC 2021). Put differently, spikes in poverty could have been higher than currently observed.

The rise in poverty was sharpest in urban low-income neighbourhoods, especially in the early phase of the pandemic. Poverty increased by 39 per cent in rural areas compared to 48 per cent in urban low-income neighbourhoods in the early onset of the pandemic, after the first period of lockdown measures¹. This overlapped with cyclone Amphan, which wreaked havoc in Bangladesh in May 2020. Poverty rates dropped in the subsequent period as measures eased. By March 2021, rates had dropped below pre-pandemic levels in rural areas, yet remained significantly above pre-pandemic levels in urban low-income areas. During the second and third wave of infections, when restrictions on mobility were reinstated, increases in poverty rates were similar in rural and urban low-income areas, shooting up by 22 per cent and 21 per cent, respectively, between March 2021 and August 2021. However, while poverty in rural areas dropped back to pre-pandemic levels a few months after the fourth period of lockdown measures early 2022, it remained 25 per cent higher in urban low-income areas by May 2022 compared to February 2020.

¹ Previous analysis of PPRC–BIGD survey data found that income levels were substantially lower and poverty rates substantially higher in rural areas compared to urban areas in February 2020 (Rahman *et al.* 2020). Potential explanations for this discrepancy include (i) the estimates in this report being based on a balanced sample across five waves and, as a result, basing estimates on a sample that is much smaller and includes a higher proportion of urban households, and (ii) the estimates in this report for poverty in February 2020 being based on households' self-reported income collected in Round 2 of data collection in June 2020 as opposed to Round 1 in April 2020 due to greater fidelity in Round 2 data compared to Round 1 data.

Figure 3.1 Poverty rates from February 2020 to May 2022



Source: Authors' own. Calculations based on PPRC-BIGD survey data (balanced sample, N=3,380), based on self-reported monthly income.

Table 3.1 Poverty rates from February 2020 to May 2022, excluding periods of lockdown

Point in time	Rural poverty rate (%)	Urban poverty rate (%)
February 2020	58.9	56.4
June 2020	81.7	83.2
March 2021	54.5	64.7
August 2021	66.6	78.1
January 2022	49.2	61.3
May 2022	57.5	70.3

Source: Authors' own. Calculations based on PPRC-BIGD survey data (balanced sample, N=3,380), based on self-reported monthly income.

Note: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Focusing on Dhaka and Chattogram and extending our analysis from February 2020 to March 2023, we do find that three years after the onset of the pandemic, poverty levels in these cities remain relatively high. Among those respondents who were interviewed in all survey rounds, 49 per cent were in poverty prior to the pandemic in February 2020 compared to 66 per cent in March 2023 (Table 3.2). It is especially notable that poverty rates stagnated, and even slightly

increased, between May 2022 and March 2023. This is most probably a reflection of the cost-of-living crisis. Poverty rates are consistently higher in Chattogram compared to Dhaka, although only in a statistically significant way in June 2020.

Table 3.2 Poverty rates from February 2020 to March 2023

Poverty rate	Chattogram (%)	Dhaka (%)	Overall (%)
February 2020	53.8	45.3	48.9
March – April 2020	Period of lockdown		
June 2020	88.6	79.3	83.3**
March 2021	53.0	55.3	54.3
April 2021	Period of lockdown		
July 2021	Period of lockdown		
August 2021	76.5	70.4	73.0
January 2022	54.6	50.3	52.1
January – February 2022	Period of lockdown		
May 2022	65.9	60.9	63.0
March 2023	71.2	62.6	66.2

Source: Authors' own. Calculations based on PPRC–BIGD survey data and CLEAR Becoming Poor data (balanced sample, N=311), based on self-reported monthly income.

Note: *p<0.1; **p<0.05; ***p<0.01.

Analysis of the poverty status of households over time allows us to distinguish between five trajectories:

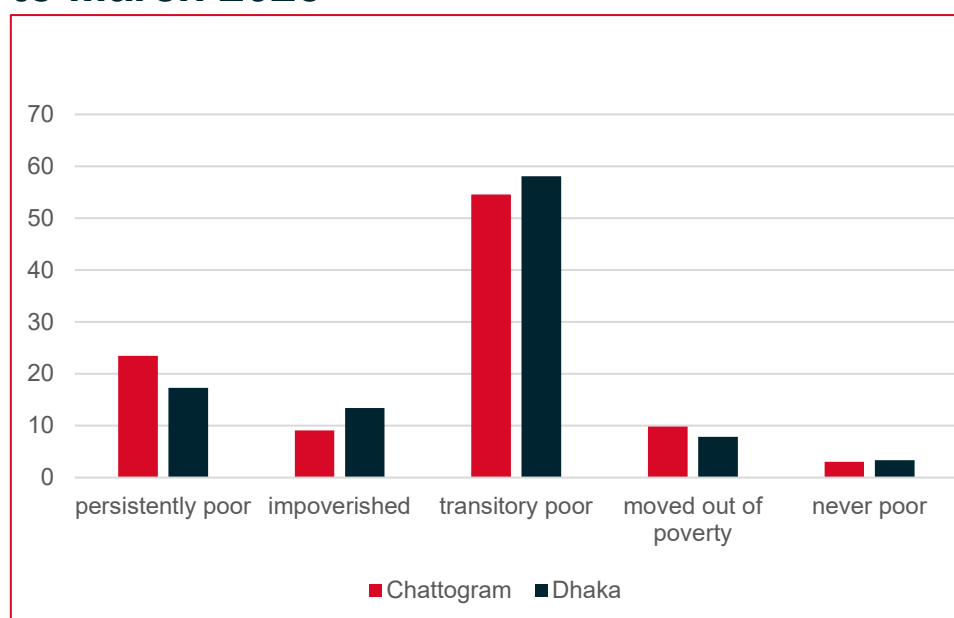
1. Persistently poor: those who were in poverty in February 2020 and remained in poverty across all data points.
2. Impoverished households: those who were not poor in February 2020 but fell into poverty since then and remained in poverty until May 2023.
3. Transitory poor: households that moved in and out of poverty at any point between February 2020 and March 2023.
4. Moved out of poverty: households that were in poverty in February 2020 but then escaped and remained out of poverty for the remainder of the survey.
5. Non-poor: those who did not find themselves in poverty at any point between February 2020 and March 2023.

As indicated in Figure 3.2, 56.6 per cent of respondents across Chattogram and Dhaka experienced transitory poverty. 19.9 per cent of respondents were in persistent poverty and 11.6 became newly impoverished since the onset of the

pandemic. A slightly smaller group of 8.7 per cent moved out of poverty. Only 3.2 per cent of respondents did not experience poverty at any point, which is a remarkably low share of households, especially when compared to pre-pandemic periods across a range of low- and middle-income countries (Diwakar and Shepherd 2022). Rates of persistent poverty are slightly higher in Chattogram compared to Dhaka, while rates of impoverishment and transitory poverty are higher in Dhaka compared to Chattogram. None of these differences are statistically significant.

Together these trajectories point to a relatively large degree of poverty mobility, especially of transitory poverty. Rates of transitory poverty are much higher than reported in studies of poverty dynamics in Bangladesh prior to the pandemic. Scott and Diwakar (2016) found that 10 per cent of rural households were ‘transitory escapees’, having escaped poverty between 1997/2000 and 2006 but fallen back into poverty by 2010. Higher levels of transitory poverty in this study reflect the underlying and heightened vulnerability of people living in low-income urban settlements, especially at a time of intersecting crises.

Figure 3.2 Poverty trajectories from February 2020 to March 2023



Source: Authors' own. Calculations based on PPRC–BIGD survey data and newly collected CLEAR Becoming Poor data (balanced sample, N=311), based on self-reported monthly income.

Looking at poverty trajectories against the backdrop of households' starting position in February 2020 (Tables 3.3 and 3.4) further illustrates high levels of socioeconomic precarity. More than half of those who were not poor before the start of the pandemic fell into poverty between then and March 2023. Of those

who were poor in February 2020, almost one in four managed to move above the poverty line but three quarters remained in poverty.

Again, results in this study point to far greater levels of precarity compared to what has been observed in studies prior to the pandemic and in rural areas. Ahmed and Tauseef (2018) find that between 2011/12 and 2015, 15.5 per cent of the rural population moved out of poverty and 9.4 per cent fell into poverty. The latter estimate stands in stark contrast to the estimate of 56 per cent of respondents in Chattogram and Dhaka having fallen into poverty between February 2020 and March 2023.

Table 3.3 Poverty trajectories for those not poor before the pandemic

Change from February 2020 to March 2023	Chattogram (%)	Dhaka (%)	Overall (%)
Stayed out of poverty	39.3	46.9	44.0
Moved into poverty	60.7	53.1	56.0

Source: Authors' own. Calculations based on PPRC–BIGD survey data and CLEAR Becoming Poor data (those not poor before pandemic in balanced sample, N=159), based on self-reported monthly income.

Note: *p<0.1; **p<0.05; ***p<0.01.

Table 3.4 Poverty trajectories for those poor before the pandemic

Change from February 2020 to March 2023	Chattogram (%)	Dhaka (%)	Overall (%)
Moved out of poverty	19.7	25.9	23.0
Stayed in poverty	39.3	46.9	77.0

Source: Authors' own. Calculations based on PPRC–BIGD survey data and CLEAR Becoming Poor data (those poor before pandemic in balanced sample, N=152), based on self-reported monthly income.

Note: *p<0.1; **p<0.05; ***p<0.01.

Qualitative data confirms that the pandemic's effects cut across socioeconomic strata in urban areas, especially in low-income and informal neighbourhoods. Those already experiencing moderate poverty moved into extreme poverty or destitution, while those with more resources or assets were often newly pushed into poverty (CTG-FGD-Community Leaders). In accordance with quantitative findings, research respondents did report a degree of bounce compared to pre-

pandemic levels. However, many respondents noted that the situation is not as good as it was before the pandemic.

Respondents indicated they have to contend with depleted savings, accumulated debt, price hikes and lack of work opportunities. During the lockdown period, almost everyone held debts. Post-lockdown, debts remain outstanding with people struggling to pay off their loans. In March 2023, almost nine out of ten households in Dhaka and Chattogram had outstanding loans of some sort (Table 3.5). Prevalence of debt has been made worse by the price hikes following the pandemic period. While loans can offer crucial support to managing livelihoods, they can also lead to unsustainable economic insecurity. For some, taking out further loans is the only option, only to be pushed further down the spiral of indebtedness (see Box 3.1). Price hikes have compounded people's inability to cope. Across interviews, respondents list essential items that have become much more expensive, from food stuff such *pangash* fish (a cheaper variety of catfish) (DHK-FGD-Male) to electricity (DHK-FGD-Male) and education (DHK-FGD-Community Leaders).

Table 3.5 Outstanding loans between March 2021 and March 2023

Anyone in household has any debt	Chattogram (%)	Dhaka (%)	Overall (%)
March 2021	78.8	77.7	78.1
August 2021	85.6	86.0	85.9
May 2022	75.8	78.2	77.2
March 2023	85.6	88.3	87.1

Source: Authors' own. Calculations based on PPRC–BIGD survey data and CLEAR Becoming Poor data (balanced sample, N=311), based on self-reported monthly income. *p<0.1, **p<0.05, ***p<0.01

Note: *p<0.1; **p<0.05; ***p<0.01.

The combination of the pandemic's hollowing out of household resilience through depleted assets, continuing inflationary pressures, and inability to earn ample income creates intersecting supply- and demand-side crises that lead into insecure and volatile livelihoods. The selection of excerpts and quotes in Box 3.1 give insight into widespread barriers to improved lives for those in Kallyanpur, Dhaka and Shantinagar, Chattogram.

Box 3.1 Descriptions of living conditions since the start of the Covid-19 pandemic

People were given some support with which they somehow managed to survive. But in reality, people had a very difficult time surviving that period. Tears filled people's eyes. Since the corona [Covid-19 pandemic] till now, I am still suffering a deficit.

(DHK-FGD-Male)

None of us managed to recuperate since our condition hit bottom during the corona [Covid-19 pandemic]. We hadn't had such ability or strength...

(DHK-FGD-Male)

But things haven't gone back to how they were before the pandemic. My mother earns very little now. And given that our savings were completely used up and we owe money to a lot of people, it's going to be impossible for us to recover because my mom earns even lesser than before.

(DHK-IDI-1-Female-impoverished)

I was in a better situation before Covid. The recent situation is the worst. I am now in an unemployed state. Besides, I have got losses in business. I am also under a debt burden.

(DHK-IDI-2-Male-impoverished)

Many people have become poor after corona [Covid-19 pandemic] as they are carrying a huge debt burden now. Corona [Covid-19 pandemic] had made this situation.

(CTG-IDI-11-Male-transitory poor)

I used to work at the RMG factory back then. I made just enough to survive. Whatever I earned was spent on rent, food, and my child's fees. It was hard, but we got by. Nowadays, it is tougher for us.

(CTG-IDI-7-Female-impoverished)

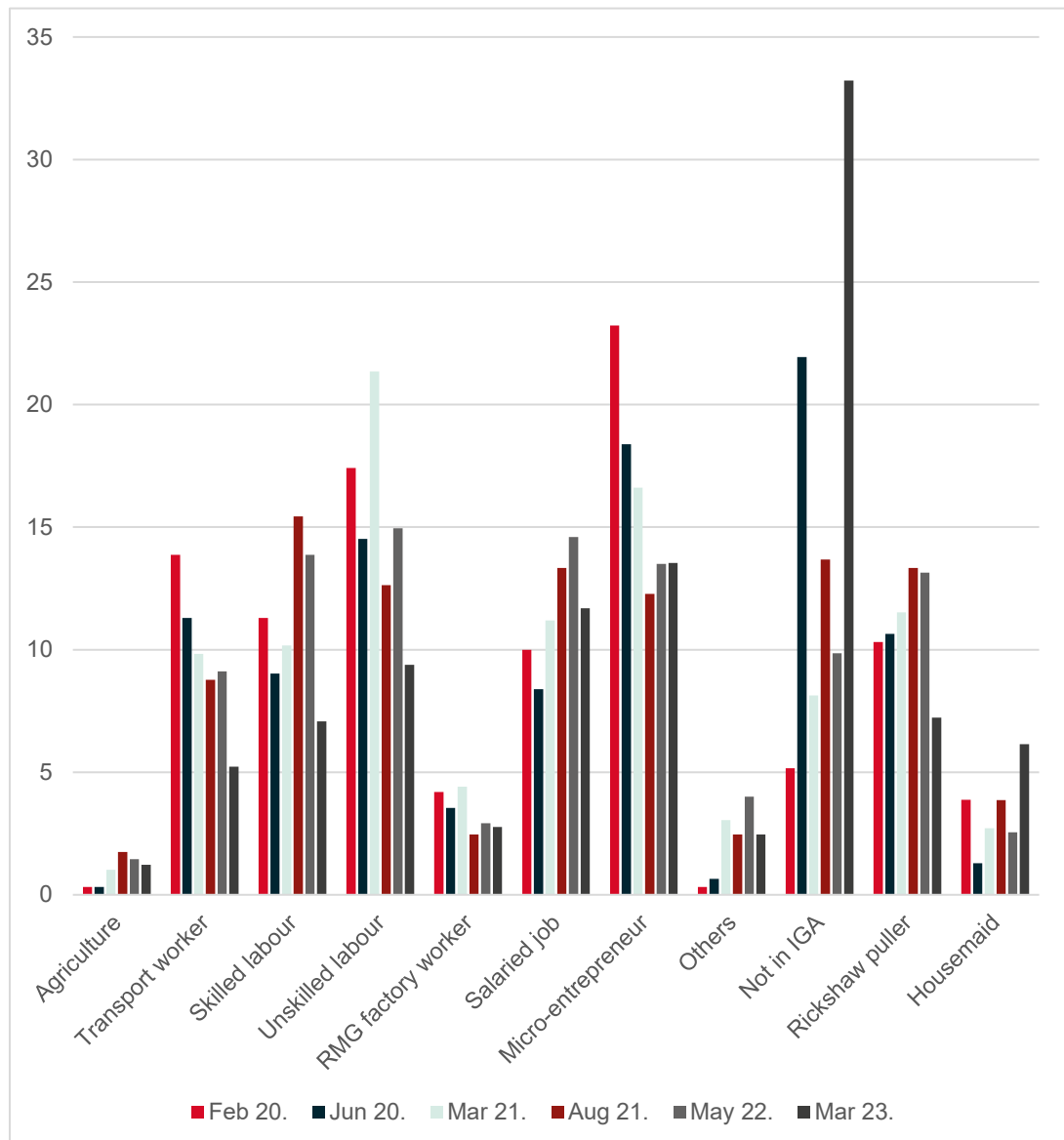
Source: Authors' own. Created using CLEAR Becoming Poor qualitative data, collected in Dhaka (DHK) and Chattogram (CTG).

3.2 Economic opportunities

Employment and livelihood prospects have shifted over the last three years, as illustrated by both qualitative and quantitative data. Economic opportunities have changed since the pandemic, disrupting livelihoods in low-income neighbourhoods.

Figure 3.3 provides an overview of changes in occupational patterns between February 2020 and March 2023. It shows a few notable trends. First, we see a fall across many occupation types, not just during the pandemic period but also between May 2022 and March 2023. For example, skilled labour dropped from 13.9 per cent to 7.1 per cent of respondents listing this as their primary occupation. The proportion of respondents identifying as micro-entrepreneur stayed roughly the same between May 2022 and March 2023 but is at much lower levels than before the pandemic – a drop from 23.2 per cent to 13.5 per cent, respectively. Second, the proportion of respondents who indicate not to be involved in any type of income-generating activity has increased more than threefold between May 2022 and March 2023, rising from 9.9 per cent to 33.2 per cent. It is also 50 per cent higher compared to what it was after the first lockdown period in June 2020.

Figure 3.3 Trends in types of occupation from February 2020 to March 2023



Source: Authors' own. Calculations based on PPRC-BIGD survey data and CLEAR Becoming Poor data (balanced sample, N=311), based on self-reported monthly income. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Qualitative data also point to how economic opportunities have shifted since the start of the Covid-19 pandemic. It suggests that opportunities traditionally available to workers living in low-income areas have been squeezed, pushing them into more precarious employment. Respondents report that relatively well-paid or more secure forms of employment, such as skilled factory work, have become scarcer than they already were prior to the pandemic, making city dwellers more reliant on volatile and often poorly paid occupations such as day labouring, rickshaw pulling, selling betel leaves, or working at a tea stall.

Overall, life has become tougher here after the pandemic. It has become much harder to find a job. Before, I could quit my job if I wanted to and find something that is more suitable for me – I had more options. But nowadays, if you quit or are fired, it will be extremely difficult for you to find jobs because many factories and businesses closed down permanently. The ones that are still open are overcrowded with workers and don't want to hire new people.
(CTG-IDI-7-Female-impoverished)

In addition, various respondents commented on the need to have connections with local leaders, business owners or powerful actors to access jobs.

Respondent 2: In many families they have brilliant boys and girls, but they are not getting any job because they have no powerful uncles who will help them get the job.
(DHK-FGD-Female)

We have received some education, but we cannot find good jobs. Even if we find employment in the garment industry, they require experience. Many jobs demand bribes; otherwise, it is difficult to secure a position. We don't have any connections.
(DHK-KII-Teacher)

Some changes in work opportunities can be linked to the pandemic (such as in relation to domestic work, see below) but others seem to be part of a wider trend of factory closures or relocations. Four trends emerged from the qualitative data, one of which has direct links to the pandemic and two that are part of wider economic and labour market trends in Bangladesh.

First, **domestic work is less readily available**. Participants in the qualitative research report difficulties in finding work as housemaids. This seems a direct consequence of the pandemic with this work having come to a halt overnight as domestic workers were no longer allowed to go into their employers' homes. After an extended period of lockdowns and mobility restrictions, demand for domestic work has gone down. This might be due to employers having substituted labour by white goods such as washing machines, or employers no longer having the economic resources to hire domestic workers.

Now there are less jobs than before. We could find work as a domestic worker but not now people don't want any domestic worker.
(CTG-FGD-Female)

Domestic workers had to face hardship too because people stopped hiring domestic workers. In the past, they totally stopped hiring.
(DHK-FGD-Male)

It should be noted that this trend cannot be observed in the quantitative data. In fact, when comparing across waves of data collection between February 2020 and March 2023, we can observe a slight uptick in respondents indicating that housemaid is their primary occupation (see Figure 3.2).

Second, **availability of and access to jobs in the ready-made garment (RMG) sector is in flux**. Qualitative research respondents in Chattogram point to increased requirements for paperwork to get jobs, and that factories have tightened educational requirements. This is in line with national policies around formalisation of the RMG sector, although it means it is more difficult to find work in the RMG sector. Female respondents in Chattogram experienced difficulties getting back to work at the same RMG factories after the pandemic, noting that different types of paperwork were now required and that factories preferred workers with higher levels of education. While some were able to find jobs at other factories, others switched livelihoods and started a tailoring business at home (CTG-FGD-Female).

There were also two or three garments in this area, those are also closed now, how can we find work now? People gave 1.5 lakh [150,000] Taka as a security for a shop when the factory was open, now they left their shop. Amin jute mill was a government mill, there were 30,000 permanent workers and 30,000 daily basis workers working at that factory. That factory was started in 1954 and closed in 2020. Many workers went back to their village home, those who have nothing in their village are still living here. Some of them are collecting scrap, some of them are selling potato on a van, and some opened a small shop. Some are doing small business; some are spending their pension money.

(CTG-IDI-12-Male-transitory poor)

There are no factories near Shantinagar now. Women who worked in the garments are now working as a tailor at home. They would get salary every month and get by well with that. Now they are earning money on a daily basis and struggling to get by. There are differences between the time before Covid and after Covid. People are earning less money, and the prices of groceries are high. Now many people are vulnerable economically.

(CTG-IDI-12-Male-transitory poor)

It should be noted that experiences are not the same across the board. Respondents in Dhaka referred to the RMG sector as a stable industry where work could always be found.

For four months straight, my mother could find no work. She never returned to her cooking job – the hostel was closed as students went back to their villages due to the prolonged closure of schools and colleges. When she finally did find work, it was at a RMG factory.
(DHK-IDI-1-Female-impoverished)

Third, **the closure of a jute mill close to the study area in Chattogram constituted a far-reaching economic shock for many workers.** The closure occurred late 2019 prior to the pandemic, essentially presenting mill workers with three consecutive deep disruptions in livelihoods: (i) the mill closure, (ii) the Covid-19 pandemic, and (iii) price hikes.

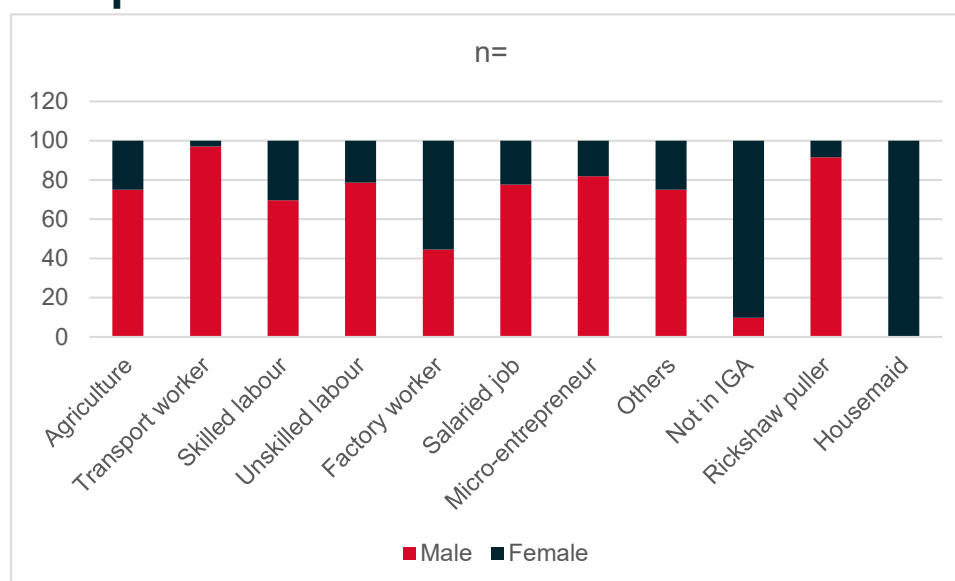
Interviewer: *So, the people who used to work in the jute mill. What do they do for a living now?*

Respondent 5: *Mainly they pull rickshaws... Some are trying to open a business with the van... Some are working as hawkers... There are many... for example, some are selling vegetables... Some opened their business on the footpath, some are running a business of betel leaf ... they are selling the betel leaf by roaming around the rickshaw stands.*

Respondent 6: *Whatever work they can manage ...*
(CTG-FGD-Male)

Finally, there is a **strong gender dimension to the issue of changing work patterns**, with women disproportionately affected. Figure 3.4 provides an overview of gender distribution across occupation types, as reported across the full sample of CLEAR data from March 2023. The most striking observation from this figure is that the vast majority of those who are not engaged in any type of income-generating activity are women – 90.3 per cent compared to 9.7 per cent. This trend is similar across Dhaka and Chattogram, we do not observe any statistical differences.

Figure 3.4 Gender distribution by type of occupation



Source: Authors' calculations based on CLEAR Becoming Poor data (sample, N=650)

In other words, the 300+ per cent increase in those not engaged in any form of income generation is a highly gendered shift with strong repercussion for women. This makes women, especially those living outside of a traditional male-headed household, significantly less resilient. As noted by one female participant in the qualitative research:

Realistically, my only hope is that my brothers will get better, permanent jobs and help me.

A woman with disabilities, separated from her husband, and completely dependent on her mother (DHK-IDI-1-Female-impoverished)

3.3 Psychosocial experiences

Residents in low-neighbourhood areas in Dhaka and Chattogram experience high levels of psychological distress, and this is even higher among those with lower incomes. **Economic uncertainty and poverty have strong psychosocial negative effects.**

Using the Kessler Psychological Distress Scale (K6) scale for psychological distress, respondents were asked about their mental wellbeing. Based on a set of six questions², a score of 13 or higher can denote severe mental distress

² Referring to the past month, respondents were asked to indicate whether they were feeling the following either all of the time, most of the time, some of the time, a little, or not at all: (i) nervous, (ii) hopeless, (iii) restless or fidgety, (iv) so depressed that nothing could cheer them up, (v) everything was an effort and (vi) worthless. Scores for each question range from 4 (all of the time) to 0 (not at all) and were aggregated to reach a total score of psychological distress.

(Kessler *et al.* 2003; 2010). Results in Table 3.6 show that at an average score of 13.3, psychological distress among respondents is generally high. There is no significant difference between Dhaka and Chattogram. However, women are more likely to experience severe mental distress as are those in the lowest income quintile. These are important findings, suggesting that women in extreme poverty may be suffering some of the worst psychosocial consequences³.

Table 3.6 K6 Psychological Distress Scale

K6 – Psychological Distress Scale (n=650)	Mean score	% experiencing severe mental distress
Overall	13.3	55.1
Area – Dhaka	13	52.1
Area – Chattogram	13.7	59
	(p-value<0.1)*	(p-value<0.1)*
Gender – Women	11.9	66.5
Gender – Men	14.8	44.3
	(p-value<0.000)***	(p-value<0.000)***
Income – Quintile #1	14.6	66.4
Income – Quintile #2	14	58.1
Income – Quintile #3	13.5	57.6
Income – Quintile #4	12.7	48.8
Income – Quintile #5	11.7	44.2
	(p-value<0.05)**	(p-value<0.01)***

Source: Authors' calculations based on CLEAR Becoming Poor data (sample, N=650).

Note: *p<0.1; **p<0.05; ***p<0.01.

Qualitative data confirms the high degree of mental distress among residents of Kallyanpur, Dhaka and Shantanigar, Chattogram. Stress is related to the struggle to make ends meet as well as wider concerns about living in low-income neighbourhoods, such as unsafe housing conditions.

Respondent 2: *I can't sleep at night worrying about how I will manage food to eat in the morning...*

Respondent 1: *We fear that the slum will catch fire again...*

Respondent 3: *Living in this slum fills us with worries... We are worrying every single moment...*

³ Analysis by poverty trajectory group did not point to significant differences, but this is likely due to small sample size and lack of power to detect statistically significant differences.

Respondent 3: *Poor people are under tremendous mental pressure.*
(DHK-FGD-Male)

Respondent 12: *My children want to eat some food when they watch other children eating food, but I am unable to buy that food for my children. I have no money in my hand, how would I buy food for my children? Yesterday some children were eating lychee and my children wanted to eat it as well. I said, I have no money, how would I buy you lychee? When I earn money, I will buy you some lychee. My daughter was crying but I was unable to buy it for her. I felt so bad, I wanted to die. I couldn't feed my children because I have no money today. Someday I will earn money, but lychee could not be available by that time. Maybe I will earn money, but I will always feel that pain about yesterday.*
(DHK-FGD-Female)

Data also suggests a degree of fatalism regarding living in poverty. Respondents seemingly accept their poor living conditions as their fate. Qualitative data suggests there is little belief in being able to move up the social ladder.

No, I do not accuse anyone of my financial condition. Yes, it is my bad luck that I am a poor person.
(CTG-IDI-10-Female-persistently poor)

At the same time, there is a strong sense of honour and dignity among people in low-income neighbourhoods, and a sense they have to work extra hard at maintaining such dignity given their socioeconomic situation and the stigmatisation that comes with it.

We are poor. Thus, honour and dignity are a very serious matter to us. Rich people's affairs remain private within their concrete walls. Others don't get to know about it. But poor people's affairs become public easily. I get by rather easily, don't borrow money from others, and mind my own business, yet I can sense a lot of animosity from people around.
(DHK-IDI-5-Male-impoverished)

Hard work is core to dignity and honour, as it's considered an important virtue and vital factor in doing well and moving out of poverty. However, respondents also note the difficulty of finding work. Therefore, even if one is willing and able to work hard, this may not result in better economic conditions (see DHK-FGD-Male).

Overall, there is a widespread sense that people in poverty are devalued. People in poverty express feeling like second-rate citizens, as being seen as less human than rich people.

Poor people are devalued, if people would value poor people, they would never be poor. Rich people don't treat poor people as a proper human being.

(CTG-IDI-12-Male-transitory poor)

Respondent 12: Nobody loves a person who is vulnerable. Nobody respects someone who has no money. People will ask me to eat when I am not hungry, but they will not ask me to eat when I am hungry.

(DHK-FGD-Female)

The sense of devaluation is also reflected in findings from the quantitative survey. Results in Table 3.7 show that 79 per cent of respondents in Dhaka and Chattogram agree or strongly agree with the statement that other people think less of them because they live in poverty. 69 per cent worry about telling people they live in poverty, and 74 per cent avoid telling others about their poverty status. There's an overwhelming sense of unfairness and injustice, with nine of ten respondents agreeing they would have had better chances in life if it had not been for poverty.

Table 3.7 Psychosocial experiences

Psychosocial experiences – March 2023	Strongly disagree/ disagree (%)	Neither agree nor disagree (%)	Strongly agree/ agree (%)
Other people think less of me because I live in poverty	16.6	4.5	78.9
I worry about telling people I live in poverty	28.3	2.6	69.1
I avoid telling people about my poverty status	22.8	2.9	74.3
I would have had better chances in life if I was not living in poverty	7.4	2.0	90.6
Having experienced poverty makes me feel that life is unfair	9.7	2.3	88.0

Source: Authors' own. Calculations based on CLEAR Becoming Poor data (sample, N=650)

Note: *p<0.1; **p<0.05; ***p<0.01.

Community leaders participating in qualitative data collection in Kallyanpur in Dhaka were honest in sharing their perceptions of people in poverty living in low-income neighbourhoods, corroborating negative experiences of those living in poverty. More affluent community members admitted to treating poorer

community members differently, referring to feeling a sense of disgust and intolerance.

Interviewer: ... *How do you treat the poor?*

Respondent 4: *We devalue them. People who are comparatively well-off see the slum dweller with disgust.*

Respondent 2: *People are abhorred of poor...*

Respondent 1: *We also abhorred of poor. We do think of like that way.*

Respondent 9: *Even my husband says, 'Those poor who sit beside you, how could you tolerate this?' I say, 'What can I do about it? I cannot just make them leave'.*

Interviewer: *Why do you treat them this way?*

Respondent 3: *It is all about mentality. Discrimination between rich and poor is deep-rooted. This existed in previous times as well. (DHK-Community Leaders)*

3.4 Area-based discrimination

Negative experiences of people in poverty and living in low-income neighbourhoods are strongly tied to their place of residence and leads to widespread exclusion from services and economic opportunities. **Residents of low-income neighbourhoods experience systematic stigmatisation and discrimination.**

Qualitative data points to widespread stigmatisation and discrimination of residents of low-income settlements, especially when moving outside of their neighbourhoods to find work or access services. Respondents speak of being refused jobs or being unable to enrol their children in school when being honest about where they live. Excerpts from FGDs with male and female residents in Kallyanpur, Dhaka (see Box 3.2 and 3.3), give an indication of the pervasiveness of discriminatory practices and their effects, including a compounding of poverty-induced psychological distress as discussed above.

Box 3.2 Discrimination of residents in low-income settlements 1

Respondent 3: *They feel ashamed only under certain circumstances. For instance, if I go to apply for a passport, they might ask me, 'Where do you live', to which my answer would be, 'In a slum'. Isn't that a matter of shame? We can't identify ourselves there. I may go to apply for a job at a garment factory. You know, there are many good garment factories. If you tell them you live in a slum, they won't hire you. Thus, we have to lie to them and say that we don't live in slums. If you live in a slum and you need a passport, then you must lie to them saying that you don't live in a slum. We are ashamed...*

...Our children feel ashamed... Our children are exposed to such shame because we were born in the slum or came to live here and thus our children were born here too. All our IDs include this slum as our address...

...When they are asked to bring their fathers' ID cards... 'Hmm, they live in the Kallyanpur Pora Bosti' ... They hid it under their desk.

Respondent 1: *They don't accept it...*

Respondent 3: *There's no acceptance... And that's where the shame lies for our children.*

Respondent 2: *I took my daughter to get admission to Mirpur College. But they refused to give her admission...*

Interviewer: *Why?*

Respondent 2: *Because we live in the slum.*
(DHK-FGD-Male)

Source: Authors' own. Created using CLEAR Becoming Poor qualitative data, collected in Dhaka (DHK) and Chattogram (CTG)

Box 3.3 Discrimination of residents in low-income settlements 2

Respondent 5: *In schools, they say don't mix with them, they are the people from slums. They hate us when they come to know that we live in a slum.*

Respondent 4: *I admitted my son to the school using a known person's address who lives outside the slum. They don't want to admit children from the slum. How differently they see us you can guess.*

Interviewer: *How do you feel when something like that happens?*

Respondent 4: *We hide our identity there. We understand that we can't be identified there as a poor.*

Respondent 8: *Because government gave us a national ID card where our address is Kallyanpur slum.*

Interviewer: *You hide your identity there to get your children admitted to the school, right?*

Respondent 4: *Yes. In my national ID card my address is given in the Kallyanpur 4 number burnt slum (Pora Bosti), it doesn't matter how much we say that we are from Kallyanpur, they will not believe it because it is written in the ID card. If we say that we live in the 11 number road, they will not believe that because our address is given the slum identity.*

Interviewer: *Does it hurt your mind?*

Respondent 4: *Of course it does. I am poor myself and my child will also be identified as poor because of me.*

Respondent 2: *People don't respect us when they see our ID card and know that we live in a slum.*

Respondent 1: *We can't show our ID card when we go to any important office. If I sit there with five people, all of them are from the same area but I will be identified as a slum dweller. We can feel that other people are uncomfortable while sitting with us but we are also human beings. If our parents had some wealth, we would not be living here.*

(DHK-FGD-Female)

Source: Authors' own. Created using CLEAR Becoming Poor qualitative data, collected in Dhaka (DHK) and Chattogram (CTG).

But even staying inside their area doesn't prevent residents of low-income neighbourhoods from being subjected to harsh treatment. Respondents spoke of oppressive surveillance and violent enforcement of lockdown rules by the police, which was deemed disproportionately targeted at low-income neighbourhoods.

The slum was under constant surveillance of the police. Even buying groceries became a nightmare. People got chased and beaten by the police if they went out. It was really humiliating for the people here.
(DHK-FGD-Male)

Things were grim. We were under constant surveillance of the police. People used to run away from the police whenever they spotted them. People would close their shops and stop whatever they were doing and hide when the police were close by. When they left, things would go back to normal.
(CTG-IDI-7-Female-impoverished)

3.5 Access to social protection

Experiences of accessing different types of support during the Covid-19 pandemic are mixed. In general, emergency relief was available in urban areas during the pandemic, but social protection is patchy and difficult to access.

Data from the second round of the PPRC–BIGD survey, collected across the whole of Bangladesh in June 2020, shows that urban areas were relatively well served by emergency relief during the pandemic. Table 3.8 shows that while relief activities were widespread in rural and urban low-income areas, respondents in urban low-income areas were far more likely to receive support. More than nine out of ten respondents in both rural and urban low-income areas reported having seen relief activities, and 73 and 83 per cent, respectively, reported lists being used to distribute relief. In urban low-income areas, 59 per cent of lists were reportedly from Government and 21 per cent from NGOs. In terms of actual receipt of support, respondents in urban low-income areas were almost three times more likely to have gotten help in the month prior to June 2020, with two thirds of urban low-income respondents reporting to have received help.

Table 3.8 Relief activities, as reported in June 2020

Question	Affirmative responses in rural areas (%)	Affirmative responses in urban slum (%)
Have you seen any relief activity in your area?	90.9	95.7
Is there any list to provide relief in your area?	72.7	82.9
Is the list from government?	34.8	59.2
Is the list from NGOs?	5.4	21.1
Did you get any help?	23.5	67.1

Source: Authors' own. Calculations based on PPRC–BIGD survey data (balanced sample, N=3,380).

Note: *p<0.1; **p<0.05; ***p<0.01.

The prominent role of gratuitous relief but small contribution of formal social protection schemes is also evident from experiences in Dhaka and Chattogram. In March 2023, just over half of all respondents (54 per cent) had received some type of aid since the first lockdown in March/April 2020 (see Table 3.9). The proportions of residents having received support are similar in Dhaka and Chattogram. Women were more likely to receive aid compared to men, and receipt of aid is more prevalent among lower income quintiles compared to higher quintiles.

Table 3.9 Receipt of aid since the first lockdown, reported in March 2023

Categorisation	Affirmative responses to the question: 'Thinking back to the first lockdown, since then, has any member of your household received any kind of aid?' (%)
Overall	54.3
Area – Dhaka	52.3
Area – Chattogram	55.9
	(p-value<0.5)
Gender – women	58.9
Gender – men	50.0
	(p-value<0.05)**
Income – Quintile #1	60.3
Income – Quintile #2	60.5
Income – Quintile #3	56.1
Income – Quintile #4	51.2
Income – Quintile #5	43.4
	(p-value<0.05)**

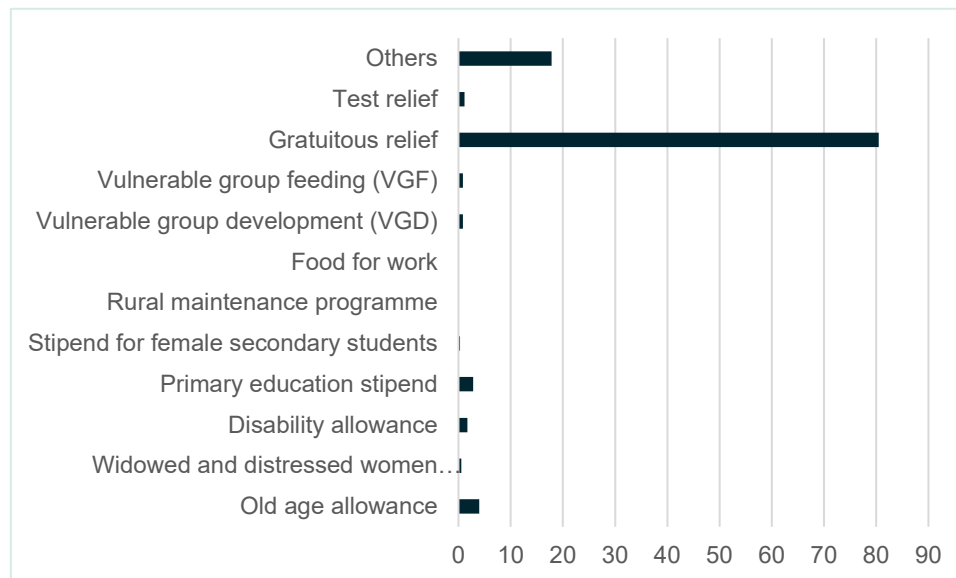
Source: Authors' own. Calculations based on CLEAR Becoming Poor data (sample, N=650).

Note: *p<0.1; **p<0.05; ***p<0.01.

Out of those who had received support, 80.5 per cent of respondents indicated to have received gratuitous relief (Figure 3.5). Only 11.1 per cent of respondents indicated to have received support through any of the government-run social protection schemes. 17.9 per cent of respondents received other types of support, which included a mix of NGO support, cash or in-kind support from unknown sources, and purchase of subsidised goods through food trucks. There are no significant differences in this pattern of aid across area, gender or income.

Figure 3.5 Types of aid received since first lockdown, reported in March 2023

Source: Authors' own. Calculations based on CLEAR Becoming Poor data (full sample, N=650).



Indeed, coverage of government-run social protection in urban areas was low even before the pandemic. An overview of social protection schemes in urban areas compared to rural areas presented in the Government of Bangladesh's *Urban Social Protection Strategy and Action Plan* (Government of the People's Republic of Bangladesh 2020), shows that out of 25 programmes listed, 12 are available in urban areas. By contrast, 20 programmes are available in rural areas (*ibid.*: 13).

In addition, adequacy of support appears limited. The majority of support was provided in kind (79 per cent) as opposed to cash (21 per cent). In-kind support was relatively low in value with respondents having received such support estimating the average value of the most recent in-kind support to 570 Taka. This compares to an average estimate of 2,500 Taka for the most recent type of monetary support.

Qualitative data also gives insight into the variety of support received since the pandemic, and how most of this was delivered through NGOs and local communities as opposed to government.

I got 3,700 Taka from BRAC for 11 months and other supports were only for once. I got soaps, sanitiser, mask several times. I did get 3,500 Taka from another NGO. I didn't get any support from the government. Our commissioner gave us some food for once, other people also got those support.
 (DHK-IDI-6-Female-persistently poor)

Respondents also point towards unfair practices in terms of who is allocated support. Having connections with those in power was deemed vital to not only access job opportunities, as noted earlier, but also to get access to different forms of relief, both those provided by community leaders and by government. NGOs – such as BRAC – were generally deemed to operate in a more transparent manner, there was a suggestion that personal connections were nevertheless important to be placed on programme lists and receive support. These practices led to exclusion of those in need as well as inclusion of others who might not be deemed eligible.

Government assistance has not been forthcoming. During Eid, they were to receive 2,500 Taka on their mobile phones, but only a few fortunate ones did. The government's distribution list was also flawed, as it seemed to favour certain political figures or their supporters. Those who had better connections received these benefits. In reality, this situation is politically driven. Moreover, there are limitations imposed by the government. In the area, there may be 100 poor people, but assistance reaches only 20, leaving 80 without any support. People complain that the government prioritises those who are politically aligned with them.

(CTG-KII-Teacher)

There were other times when local political leaders distributed food supplies, but only certain people got those. I would say that local leaders do more harm than good. I have heard that a lot of other NGOs came to help in the Kallyanpur area, but these political leaders decided to corrupt those projects as well. The help mostly went to the friends and relatives of these corrupt leaders.

(DHK-IDI-1-Female-impoverished)

3.6 Sale of food at lower prices from food trucks

Residents in low-income urban neighbourhoods make widespread use of government-run sale of food items at cheaper prices from food trucks. The sale of subsidised food items is also known as Open Market Sales (OMS), a component of which is run by the Trading Corporation of Bangladesh (TCB), which is a government agency. **Sale of cheaper food from food trucks is widely accessed in low-income urban neighbourhoods and appreciated, but some elements of implementation cause exclusion and stigma.**

Sale of subsidised foods is widely available in urban and peri-urban areas and can be considered the most widely accessed urban social protection scheme. In March 2023, 48.9 per cent of respondents in Dhaka and Chattogram indicated to have bought items such as rice, pulses, and onions from such a truck in the last

six months (see Table 3.10). This drops to 20.2 per cent when only referring to the previous month. It should be noted that respondents may not interpret the purchase of subsidised food items provided through TCB or OMS as a form of relief or social support. This explains why the relatively high rate of access to this scheme does not match the low rate of receipt of government support as listed in Figure 3.5.

There are no consistent patterns across city, gender or income quintiles. While use of the scheme is higher in Dhaka compared to Chattogram when looking at the last six months, this pattern reverses when looking at the last month. Women are slightly more likely to have purchased subsidised food items compared to men, although differences are only statistically significant for a six-month period. There are no significant differences across income quintiles, which can be explained by median incomes across all quintiles in this sample being relatively low (see Table 2.1).

Table 3.10 Proportion of respondents having purchased subsidised food items in last six months

Categorisation	Affirmative responses to the question: 'Have you purchased food items from a truck/TCB in the last 6 months?' (%) (n=318)	Affirmative responses to the question: 'Have you purchased food items from a truck/TCB in the last month?' (%) (n=131)
Overall	48.9	20.2
Area – Dhaka	52.6	11.5
Area – Chattogram	44.2	31.2
	(p-value<0.05)**	(p-value<0.00)***
Gender – women	53.5	22.5
Gender – men	44.6	18.0
	(p-value<0.05)**	(p-value<1.00)
Income – Quintile #1	51.9	19.9
Income – Quintile #2	49.6	23.3
Income – Quintile #3	45.5	14.4
Income – Quintile #4	50.4	21.7
Income – Quintile #5	47.3	21.7
	(p-value<1.00)	(p-value<1.00)

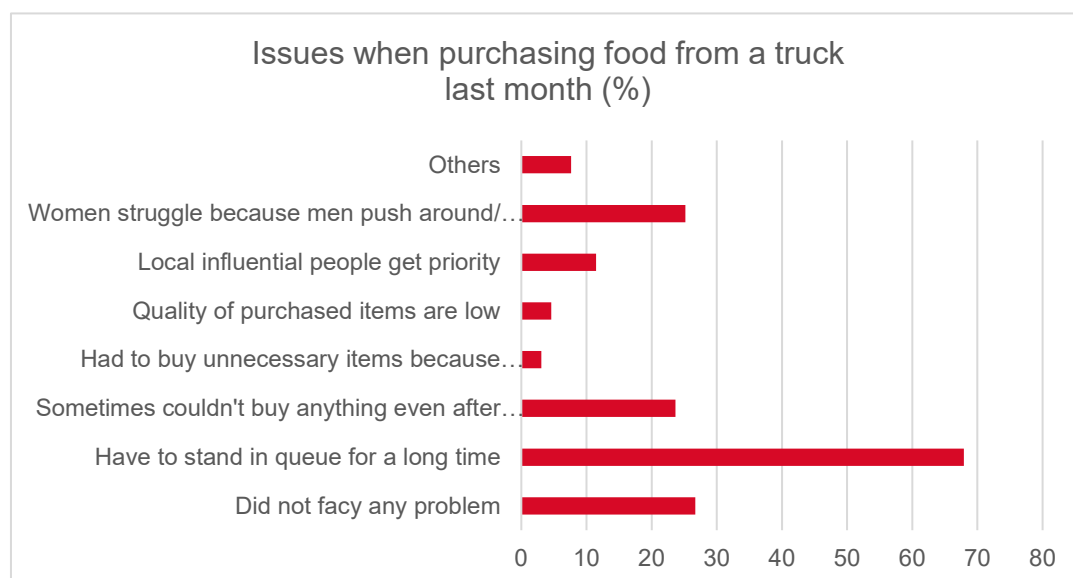
Source: Authors' own. Calculations based on CLEAR Becoming Poor data (full sample, N=650).

Note: *p<0.1; **p<0.05; ***p<0.01.

Satisfaction with the sale of subsidised food items is relatively high. Thinking about their experiences, 87.0 per cent of respondents who had used food trucks in the last month indicated to be satisfied or very satisfied. There were no significant differences across area, gender or income quintiles.

Despite the popularity of food trucks and general satisfaction with this scheme, respondents also reported various issues (see Figure 3.6). Two-thirds of those having used the truck in the previous month noted they had to stand in a queue for a long time before being able to make a purchase. One in four reported that the queueing system is especially problematic for women as they are pushed aside by men, or men reportedly cause disturbances in queues. 23.7 per cent reported not having been able to make a purchase despite having spent considerable time queueing, while 11.5 per cent indicated that local people get priority over others. The majority of responses in the 'Others' category referred to the truck not showing up.

Figure 3.6 Issues experienced when purchasing food from a truck/TCB last month in March 2023



Source: Authors' own. Calculations based on CLEAR Becoming Poor data (those in full sample who reported issues when purchasing food from a truck last month, N=131).

Qualitative data sheds further light on the experience of having to queue in a public space to access subsidised food items, and how it prevents some from taking up the service.

Waiting in a queue in the heated sun for three hours to get rice at 10 to 15 Taka less than the regular price... (is just not worth it)! I don't know how much they sell the rice for at that place. But I have seen people standing in the queue there for it. Numerous people line up there for hours on end... Yes, if it was sold and distributed differently, I would have tried to collect it.

(DHK-IDI-5-Male-impoverished)

If we have to get in the line to buy food from TCB truck, sometimes we feel ashamed standing in the line for so long.

(DHK-IDI-3- Female-impoverished)

Conversations with community members in the Korail neighbourhood in Dhaka⁴ also indicated that the use of this type of support is looked down upon, especially by those who might be considered slightly better off. The scheme's self-targeted nature (selling cheap but lower quality food items) combined with the public nature of how it is implemented (queuing up in public spaces) means that those who are struggling will aim to avoid using this mechanism as best they can. This holds especially true for those not commonly needing external support to get by.

⁴ Excerpt of Interview undertaken as part of testing of research tools, 15 November 2022.

Sitting among bunches of bananas, the 33-year-old man told us he lives with his parents, wife, three sons and daughter. Before [the Covid-19 pandemic], he worked in Dubai and then in Oman, but he wasn't able to earn much money, and so he came back to Korail and decided not to travel to the Middle East again. He started working in the banana business with his father, who has his own banana shop in the same area. He felt stuck during [the pandemic], there were a lot of restrictions so he couldn't run his shop properly. He went to some places to ask for help, but they were fake, so he didn't go again. His wife doesn't want help from others. There are long queues, and his wife said, 'please don't send us there'. He doesn't use TCB for that reason. They would have gone back to the village if they had struggled too much, but somehow, they managed.
(DHK-IDI Banana Seller-Male)

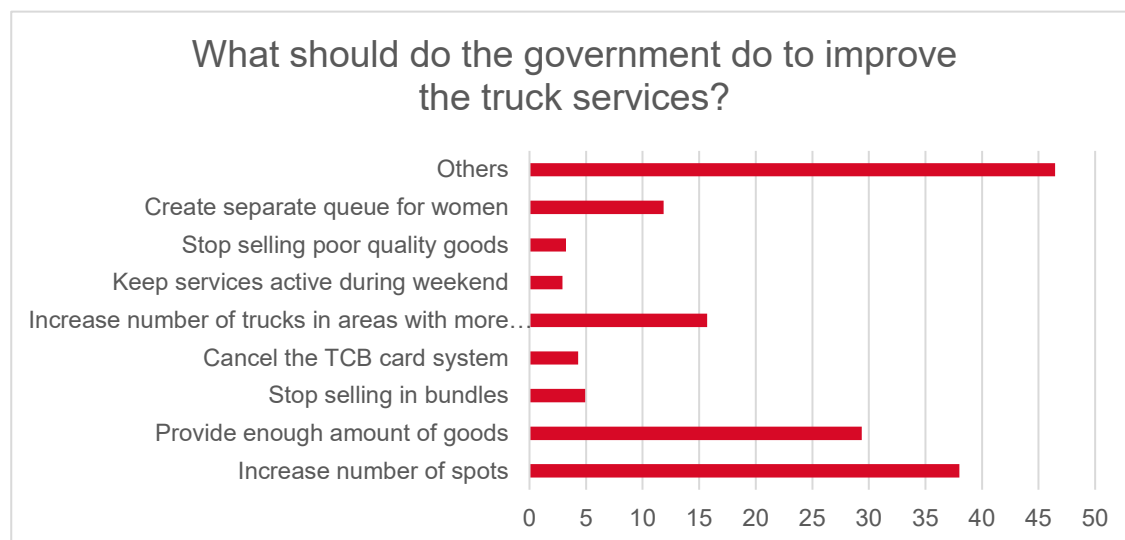
Survey and qualitative data also revealed issues with access to TCB, due to not having access to TCB cards. Out of all 650 respondents across Dhaka and Chattogram, 122 of them (18.8 per cent) did not purchase from trucks because they didn't have the TCB card despite having applied. Exclusion from the truck system due to difficulties with obtaining TCB cards was also highlighted in qualitative data.

People who have voter ID cards only can buy those goods (TCB goods) if people with TCB cards don't buy them. So, this is the rule.
(CTG-IDI-9-Male-persistently poor)

Given the direct link between TCB cards and difficulties in obtaining voter ID cards or other forms of identification for residents of low-income neighbourhoods, this finding provides further evidence for area-based discrimination.

Respondents also offered suggestions for how to improve the truck service, in both the quantitative survey and qualitative interviews. In response to the survey (see Figure 3.7), the most common suggestions included an increase in the number of spots (38.0 per cent of all respondents, regardless of whether they had used the truck services or not); provision of sufficient food items (29.4 per cent); an increase in the number of trucks in areas with more people on low incomes (15.7 per cent), and creation of separate queue for women (11.9 per cent). Almost half of all respondents offered other suggestions, which included reducing the price of TCB items, reducing interference of corruption, and for (local) government to deliver items directly.

Figure 3.7 Suggestions to improve truck/TCB services, reported in March 2023



Source: Authors' own. Calculations based on CLEAR Becoming Poor data (full sample, N=650).

During qualitative interviews, one respondent offered more detailed reflections about some of the issues with the sale of subsidised food items and how it might be improved (see Box 3.4). Suggestions include increasing the number of days that items can be purchased and rotating when residents are able to purchase items. Improving the location, avoiding the heat or having to queue in public, would also improve the experience.

Box 3.4 Suggestions to improve food truck delivery

*Actually, other people would have preferred a different way of obtaining it...
(...) It would have been helpful if the goods were delivered to them separately;
for example, your food was delivered to you and mine was delivered to me...
Yes, I'm talking about delivering food to our houses...*

*Or perhaps, if there was a designated store and if there were specific time
slots... For example, they announced that the rice would be sold today, and
now there's a huge serial. They don't sell this rice every day. Had they sold it
every day, it would not be so chaotic. For example, today is my day to collect
and tomorrow is someone else's day to collect. But it's not like that. If it was
like that, everyone would have gone there to collect it. Yes, and there wouldn't
be such a long queue either.*

*Speaking of collecting food items from the truck, well, many people don't go
there due to being embarrassed about it. I have already mentioned it, no?
How long can one bear standing in a long queue for hours in the heated sun?
You see, I asked you to go over there because it's colder there, and you
proposed me to come here because this place had a fan. My point being, we
all want comfort.*

(DHK-IDI-5-Male-impoverished)

Source: CLEAR Becoming Poor qualitative data, collected in Dhaka (DHK) and Chattogram (CTG).

3.7 Shame of formal versus informal support

As discussed in section 3.5, and presented in Figure 3.4, gratuitous relief was the most widespread form of aid that respondents in Dhaka and Chattogram received between the start of the first lockdown and March 2023. Informal support provided by family and friends is likely to have constituted an important element of this type of relief. While this illustrates the positive role of social capital in coping with shocks, asking for support from relatives and close contacts is deemed much more problematic than receiving support from government.

In the survey, respondents were asked whether they think people should feel ashamed when receiving or asking for support. They were asked about their opinions on this, and about how they think other people think about this. In other words, these questions don't ask about individual experience but rather about beliefs or attitudes in terms of formal or informal types of support.

As indicated in Tables 3.11 and 3.12, the large majority of respondents in Dhaka and Chattogram disagree or strongly disagree with the notion that people should feel ashamed when receiving government-run social protection support such Old Age Allowance or NGO-provided support. Moreover, the large majority of respondents also disagree with the wider public thinking anyone should feel ashamed of accessing such types of support. However, in reference to asking for support from family or friends, more than half of respondents note that they think others should feel ashamed to do so. Similarly, 46.9 per cent agrees that the wider public thinks people should feel ashamed doing so.

Table 43.11 Perceptions of shame associated with formal versus informal support, reported in March 2023

Variations of the question: How much do YOU YOURSELF agree that people should feel ashamed to do the following?	Strongly disagree/ disagree (%)	Neither agree nor disagree (%)	Strongly agree/ agree (%)
Receive Old Age Allowance	88.0	0.8	11.2
Receive Disability Allowance	91.4	0.3	8.3
Receive any form of education stipend	94.5	0.8	4.8
Receive other types of government support	91.1	1.4	7.5
Receive support from NGOs	89.9	1.2	8.9
Ask for support from family or friends	43.9	3.1	53.1
Buy rice for fair price	87.4	0.8	11.9
Buy from truck/TCB	89.2	1.1	9.7

Source: Authors' own. Calculations based on CLEAR Becoming Poor data (full sample, N=650).

Note: *p<0.1; **p<0.05; ***p<0.01.

Table 53.12 Public perceptions of shame associated with formal versus informal support, reported in March 2023

Variations of the question: How much do PEOPLE IN GENERAL agree that people should feel ashamed to do the following?	Strongly disagree/ disagree (%)	Neither agree nor disagree (%)	Strongly agree/ agree (%)
Receive Old Age Allowance	90.3	1.1	8.6
Receive Disability Allowance	92.8	1.1	6.2
Receive any form of education stipend	94.2	1.4	4.5
Receive other types of government support	90.5	2.0	7.5
Receive support from NGOs	89.2	1.5	9.2
Ask for support from family or friends	48.3	4.8	46.9
Buy rice for fair price	87.4	1.1	11.5
Buy from truck/TCB	88.6	1.2	10.2

Source: Authors' own. Calculations based on CLEAR Becoming Poor data (full sample, N=650).

Note: *p<0.1; **p<0.05; ***p<0.01.

The contrast in terms of beliefs about whether people should feel shame receiving or asking for formal versus informal support is striking. Qualitative data suggests that government is seen to have a responsibility to help alleviate poverty, therefore there is less shame associated with accessing government support. Rather than admitting personal failure, this is seen as taking up what people have a right to. Asking family or friends for support is deemed more shameful or embarrassing⁵ because there's awareness that they may also suffer economic hardship and would be unable to help. Data collected through so-called *Durdin-er* diaries in another CLEAR research project mirror these findings with research participants noting that they can no longer rely on their social networks for support (Nampoothiri *et al.* 2023). Calling upon them might create undue pressure, and people should therefore feel shame in doing so.

Yes, I feel bad about asking for help from others. No, no, it's not about familiarity with them, it's just that I don't feel good about asking for help from others. I prefer starving rather than asking for help from others. I feel embarrassed to ask others for help. This is the problem. No, no, I don't feel embarrassed to receive government or NGO support. It felt good to receive support from the government. It is

⁵ The Bangla word used to refer to shame in the survey was *lajja*, which means shame.

because that support was not given by an individual, it was given by the government. And thus, it was like I must obtain it. Yes, everyone was collecting it, so there was no problem if I also collected it. Yes, I received support from the NGO too and what was there to feel bad about that anyway? I had a good relationship with them (NGO staff). It's normal for them to offer me support and it's normal for me to accept it as well.

(DHK-IDI-5-Male-impoverished)

My relatives helped me by giving money to send my husband abroad. I feel uneasy to seek support from my relatives, but I do not feel uneasy to take support from the government. I feel ashamed and bad when I have to ask help from my relatives, but I do not feel bad taking government support. If I take any help from our relatives, we have to give it back within a time but if government give us anything we didn't have to give it back. If we take any loan, we can pay it back slowly but if we take any money from our relatives, we have to pay it back in a certain time.

(DHK-IDI-6-Female-persistently poor)

Despite only a minority of respondents agreeing that receiving formal support through government schemes should be shameful, qualitative data does surface issues of shame and stigma in relation to accessing forms of social protection. In terms of the actual experience, reaching out for support, even from formal sources, does elicit feelings of shame and stigma. This seems especially prevalent among those having had a stable job or being seen as having a more prosperous or stable economic situation in the past. Especially for those having been able to make ends meet for most of their lives, having to rely on external support as opposed to their own economic ingenuity undermines their sense of pride.

Yes, some people couldn't ask for support. People like us have always made a living by doing business. So, it is not possible for us to stand in a relief line.

(DHK-IDI-2-Male-impoverished)

I cannot say about others. I, myself, could not be able to collect relief publicly. I am ashamed of this. I am an NGO worker; people will see me collecting relief. I am ashamed of this. What would they say to me? That is why I never stood in the queue.

(DHK-FGD-Community Leaders)

I feel embarrassed to ask someone to provide support. I have worked for twenty years in a government jute mill. I was supposed to get an interest from the government every five years, but jute mill

officers grabbed it. It [the interest] was like a pension. The interest is equivalent to my three months' income. But the officers looted it.
(CTG-IDI-9-Male-persistently poor)

Experiences captured in *Durdin-er* Diaries also evidence shame in claiming any form of social protection among those who might have identified as 'middle-class' prior to the pandemic but are struggling financially (Aziz *et al.* 2023). Intermediaries note that the desire to protect honour and dignity prevents newly impoverished residents from asking for assistance from government or NGO sources (Nampoothiri *et al.* 2023).

Efforts to make take up of assistance less publicly visible, such as delivery of cash transfers to mobile phones or selling subsidised food in shops rather than in public spaces, can reduce stigma in important ways.

My money has come to my phone; now I will go to the shop, cash out the money, and buy groceries. No one will understand that I am receiving the relief.
(DHK-FGD-Community Leaders)

No, we don't have to collect goods sold by TCB from a truck. We collect it from a designated store. Today, my wife informed me that in order to collect the rice they are giving, one of us needs to stand in line with necessary documents such as a Voter ID card and picture. I told her, we need not wait in that queue. Waiting in a queue in the heated sun for three hours to get rice at ten to 15 Taka less than the regular price... (is just not worth it)! I don't know how much they sell the rice for at that place. But I have seen people standing in the queue there for it. Numerous people line up there for hours on end... Yes, if it was sold and distributed differently, I would have tried to collect it.
(DHK-IDI-5-Male-impooverished)

That said, feelings of embarrassment aren't shared by everyone. Some point to the dire need to make ends meet and that meeting this need trumps any concern about having to stand in queue or being seen to need support.

Was I ashamed of receiving the relief? What is the point of being ashamed when you have no other option? You need to survive first. And in that regard, you have to collect the relief. And there is nothing to be ashamed of.
(CTG-IDI-10-Female-persistently poor)

4. Discussion and next steps

The Covid-19 pandemic led a large increase in poverty in Bangladesh, especially in urban areas. Rising food prices and high inflation rates further compounded already high levels of socioeconomic uncertainty. The findings of this study offer vital insights into urban residents' experiences of poverty and the support they received since the Covid-19 pandemic. Using a unique mix of secondary longitudinal data with new quantitative surveys and qualitative data from Dhaka and Chattogram, we find high levels of precarity; highlight poverty's toll on mental health; provide evidence for widespread stigmatisation and discrimination of residents of low-income neighbourhoods, and identify coverage gaps and implementation challenges in urban social protection. In response to these findings, we derive implications for social protection and anti-poverty policy more broadly.

4.1 Providing an integrated response to intersecting crises

A recurring theme throughout the conversations with participants in this study in low-income neighbourhoods in Dhaka and Chattogram low-income neighbourhood areas is their desire to have stability. This includes stability in economic terms – being able to work and earn income on a regular basis – as well as stability in housing and access to social services.

Everyone wants to be economically stable.
(CTG-IDI-16785-Male)

Respondent 1: *You need stability if you want advancement in life.*
(DHK-FGD-Community Leaders)

Yet a prolonged period of the pandemic and intersecting crises noted above has caused severe disruptions to economic activities and social services in ways that have driven downward mobility. The struggle of coping with multiple crises and collective shocks was also noted in another CLEAR research project in Khulna (Aziz *et al.* 2023).

While social protection has largely been the global response to mitigate the negative effects of the pandemic on people in and near poverty, it has often proved inadequate given the severity and prolonged nature of crises experienced. The results from low-income urban settlements in Bangladesh also reflect this, pointing to a pressing need for more shock-responsive social protection, as well as a host of other measures to prevent downward mobility. These other mitigation measures may include household debt management

measures, integrating pandemic management into disaster risk management, and longer duration of social protection measures (Shepherd *et al.* 2023). In the development of such efforts, the issue of gender requires careful attention. Findings in this study highlight that women are disproportionately affected by changes in economic opportunities.

4.2 Countering discrimination against residents of low-income urban areas

The research provides evidence for widespread area-based stigmatisation and exclusion. Most respondents felt discriminated against purely based on living in low-income urban areas, such as when attempting to find work or access services, including public institutions like education. This not only induces psychological distress, but also has implications for driving intergenerational persistence of poverty if children are being turned away from better quality schools. The violent enforcement of lockdown rules that was perceived to be disproportionately targeted at low-income neighbourhoods further compounded their sense of distress and insecurity. Longstanding issues regarding insecure tenure and land and home ownership adds to experiences of discrimination and associated feelings of stress and anxiety.

In this context, people implicitly seek greater equality of opportunity (see DHK-FGD-Community Leaders). This can partly be nurtured by expanding citizenship rights, by recognising people living in low-income areas as valid residents. Such initiatives also hold the potential to further improve their access to social protection schemes. Encouraging the registration of those living in low-income neighbourhoods as local voters also has the potential to contribute to more equitable outcomes. At the same time, such system-level interventions are only as strong as those in charge to oversee its delivery. Greater awareness among frontline workers, such as local level officials and police, could help reduce stigma and discrimination of people in low-income neighbourhoods.

4.3 Expanding social protection in urban areas

Social protection responses can be expanded to better reflect the needs of people in and near poverty in urban Bangladesh. There is certainly policy space for doing so. In view of rapid urbanisation and increasing urban poverty, the 2015 NSSS of Bangladesh states that the social security system for the urban poor should be strengthened (section 4.5, chapter 4). Schemes such as old-age pensions, disability benefits and child benefits should be provided to both rural and urban areas in equal measure. It was also promised that 'as schemes for elderly, children, vulnerable women and people with disabilities are expanded, urban residents should have equal access' (Government of the People's

Republic of Bangladesh 2015: 59). This is in line with the more recently published Eighth Five Year Plan (2020 to 2025), which states that the vision for social security system is building a social security system that is available to all Bangladeshis who are in need of support, providing them with a guaranteed minimum income but also a comprehensive safety net for those who suffer shocks and crises that may push them into poverty (General Economics Division 2020).

Expansion to urban areas doesn't require reinventing the wheel. Schemes already in place in rural areas can be expanded to urban areas. This would involve relatively simple changes in policy guidelines and budget allocation, as noted in the *Urban Social Protection Strategy and Action Plan* (Government of the People's Republic of Bangladesh 2020: 10). This has already taken place for school stipends and could also be done for other schemes (*ibid.*). Our empirical findings suggest that stigma of receiving such government schemes is limited, and that expansion of coverage would be considered as the government taking its responsibility in tackling poverty and meeting residents' rights. In addition, given the repeated and intersecting nature of crises, ensuring that social protection and recovery programming goes on for much longer than it currently does is also important (Diwakar 2023).

4.4 Ensuring dignified delivery of assistance for low-income urban residents

When expanding social protection to urban residents, it is crucial for this to be done in a manner that is responsive to residents' needs and is respectful of their dignity. Findings of this study point to consensus that there shouldn't be shame in receiving social protection through government- or NGO-implemented schemes, in contrast to asking family, friends or neighbours for support. However, testimonies of personal experience do point to stigma associated with receiving social protection support, especially for those who have become newly impoverished. In order to protect honour and dignity, some may choose to forego support.

In addition, implementation matters. Schemes such as the sale of subsidised food items through trucks are more likely to bring discomfort or elicit feelings of stigma. Having to queue for long periods of time in a public space, often without shelter from sun or rain, and sometimes leaving empty-handed, feeds into sentiments of being treated as second-class citizens. Design tweaks that could reduce the length of the queues or the chaos within them, such as increasing the number of trucks, extending the time periods during which produce is sold or creating separate queues for men and women, could begin to address these concerns. Other more advanced reforms, such as purchasing food in dedicated shops with vouchers or cards, might avoid queueing in public places altogether. These are already underway, including in the areas included in this study (see DHK-KII-Teacher).

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