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# **Being New Poor in Bangladesh: Coping Strategies, Constraints, and Trajectories**

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**Sohela Nazneen, Raihan Ahamed, Syeda Salina Aziz,  
Anuradha Joshi, Miguel Loureiro, Niranjan Nampoothiri,  
Jahid Nur, Nowshin Sharmila, Rabeena Sultana Ananna  
and Shahaduz Zaman**

**February 2024**

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**February 2024**

## Summary

Recent studies of the Covid-19 pandemic have found that millions in Bangladesh fell into poverty during this time, and they were unable to recover to their pre-pandemic economic position. This study draws on qualitative panel data collected from 39 new-poor households in Khulna, coping with pandemic-induced shocks and attempting to come out of poverty. How are the new poor attempting to recover: what strategies are they using and what constraints do they face? What are the implications for governance of their efforts? Based on their pre-pandemic economic conditions, we divide these new-poor households into two categories: those that were 'never poor' and 'the vulnerable non-poor' households. All the new-poor households we engaged with used a variety of strategies to cope and recover which included financial strategies such as borrowing money, livelihood strategies such as having multiple occupations, cost-reduction strategies such as decreasing expenditure on health and education, and social safety strategies such as accessing social protection. The main constraints that these households faced were many. These included their inability to access loans and access finances, limited access to social protection, lack of trust and expectations from the local government to provide services to aid their recovery, and social norms around honour and shame which limited their ability to seek assistance or have female members of the household engage in an income-generating activity. Most 'never-poor' households were recovering while most of the vulnerable households were stuck. Governance implications of the experiences of these households include the state playing a bigger role in supporting the new poor, limiting the role intermediaries and informal networks play in how social protection is provided, strengthening practices that build trust in local government, and tackling corruption.

## Keywords

Coping strategies; new poor; Bangladesh; network; constraints; trajectories; local governance; trust.

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## Executive Summary

The Covid-19 pandemic pushed millions in Bangladesh into poverty during the first wave. Several households who were previously not in poverty faced significant economic challenges and sought help by using different coping strategies to return to their pre-pandemic economic position, but a significant section of them were not able to recover. To understand why this might be happening, we asked the following questions: ‘How are the new poor attempting to recover: what strategies are they using and what constraints do they face? And what are the implications for governance of their efforts?’. To answer these questions, we collected qualitative panel data on 39 new-poor households in Khulna, Bangladesh over a period of 12 months in 2023, documenting their stories of attempting to regain their pre-pandemic economic position. In the process, the study documents the households’ coping strategies, constraints to their strategies, and economic trajectories and analyses the governance implications of their stories.

We categorised new-poor households into two types, never poor and vulnerable non-poor, based on their pre-pandemic economic position. Key factors influencing recovery included having strong networks, access to loans, and not being limited by social norms of honour and shame. The key strategies employed by households included financial, livelihood, cost-reduction, and social safety strategies. We found that intermediaries were key to accessing social safety nets. Importantly, having political affiliations with the ruling party helped several households in getting documentation and accessing social protection schemes. New-poor households’ strategies of recovery faced a variety of constraints in the form of asset depletion and debt traps, not having access to the ‘right’ networks, distrust and low expectations of the state, and health-related hazards. The never-poor households were generally recovering while the vulnerable non-poor were not. Networks played an important role in their ability to recover apart from their general solvency compared to that of the vulnerable non-poor.

The governance implications of these findings include the overall absence of the state in supporting these households, the importance of not making networks necessary to getting social protection, the local government building the trust of citizens in them, reducing the perception of corruption, and building accountability mechanisms for people to voice their grievances.

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## Acronyms

ACO	authoritarian cultural orientation
BDT	Bangladeshi taka
BIGD	BRAC Institute of Governance and Development
CDC	Community Development Committee
CLEAR	Covid-19 Learning, Evidence and Research Programme in Bangladesh
DPS	Deposit Pension Scheme
ESCAP	Economic and Social Commission for Asia and the Pacific
ESID	Effective States and Inclusive Development
FCDO	Foreign, Commonwealth & Development Office
GDP	gross domestic product
GED	General Economics Division
IDS	Institute of Development Studies
KCC	Khulna City Corporation
kg	kilogramme
MFI	microfinance institution
NGO	non-governmental organisation
NID	National Identity Card
PPRC	Power and Participation Research Centre
SSN	social safety net
SSNP	social safety net programme
SSPS	Social Security Policy Support
TCB	Trading Corporation of Bangladesh
UNO	Upazila Nirbahi Officer
UP	Union Parishad
UPPR	Urban Partnership for Poverty Reduction Programme
VGD	Vulnerable Group Development
VWB	Vulnerable Women's Benefit

# 1. Introduction

The Covid-19 pandemic led to a substantial rise in poverty across the world due to economic shocks, disruption in public service provision, and direct effects on health. Previous knowledge of how poor individual households respond to sudden changes in income or unexpected expenditure did not prepare us for the impacts of the multidimensional nature of the crisis (Ansah, Gardebroek and Ihle 2021; Kochar 1995). The Covid-19 context was different as these changes – or shocks including lockdowns, reverse migration, and complete loss of livelihoods – were collective not idiosyncratic. The usual coping strategies, where, for example, people turn to their families, wider informal social networks, and government resources, were inadequate, as these support structures were themselves severely strained: everyone was affected. Bangladeshi households coping with the multidimensional nature of the crisis were no exception.

Bangladesh witnessed a significant rise in poverty rates during the pandemic (Rahman *et al.* 2021) and even households that had stable livelihoods faced severe livelihood shocks and were pushed into poverty, creating a large segment of the population who one might call the ‘new poor’. A study estimated that 22.9 per cent of Bangladesh’s population became new poor during the first wave of Covid-19 (*ibid.*). The coping strategies of these new-poor households often kept them poor. Studies conducted in Bangladesh (Gomes *et al.* 2023) found that lack of alternative livelihood opportunities, limited state support, and depletion of support networks among friends and family have adversely impacted the new-poor households’ recovery process.

Many of these households are trapped in poverty as the usual coping strategies are not effective, and support structures are severely strained. Research on the new poor in Bangladesh have documented livelihood shifts, coping strategies, and access to social protection mainly through a quantitative approach. The current body of research lacks an in-depth qualitative understanding of how social, economic, and political factors affect new-poor households’ ability to recover. There is limited understanding of the coping strategies, constraints, and trajectories of new-poor households who remained poor even three years after the pandemic hit. This working paper aims to fill this gap and contribute to the existing body of work on the new poor.

In this working paper, we report findings from a study conducted during 2022–23 in rural, urban, and peri-urban areas of Khulna, Bangladesh with new-poor households through ‘governance diaries’, a longitudinal qualitative methodology (Loureiro *et al.* 2023). We asked the following questions: ‘How are the new poor attempting to recover: what strategies are they using and what constraints do they face? And what are the implications for governance of their efforts?’

By tracking these new-poor households systematically over time, we explored how the new poor interact with state actors and other informal public authorities and attempt to regain their pre-pandemic economic position. This helped us to develop a nuanced picture of which social, economic, and political factors have supported or hindered their recovery. The focus on interactions with various public authorities and their governance implications is important as it allows for an in-depth exploration of the role of intermediaries and networks in accessing government services, safety nets, and other services, which play a key role.

We locate our findings within four different bodies of literature: trust and expectations, social and gender norms, networks, and indebtedness to identify the range of factors that may influence how the new poor interact with various authorities and how they use networks to cope with and recover from poverty.

We found that the new-poor households could be categorised into two types: the 'never poor' (who had not experienced poverty pre- the Covid-19 pandemic) and the 'vulnerable non-poor' (who went through periods of being in and out of poverty pre-pandemic, but who just before Covid-19 struck were not poor). Both types used a variety of strategies in their attempts to recover which were shaped by various factors, including their pre-Covid-19 economic status, networks, and existing social norms.

The key strategies employed by new-poor households included financial, livelihood, cost-reduction, and social safety strategies. Financial strategies included borrowing money and goods from family, friends, banks, moneylenders, and microfinance institutions (MFIs). Livelihood strategies included searching for alternative livelihoods, shifting occupations, and taking up multiple jobs. Cost-reduction strategies included reducing expenditure on health, food, and education. Lastly, social safety strategies included trying to be beneficiaries of the social security programmes such as Vulnerable Women's Benefit (VWB) or procuring Trading Corporation of Bangladesh (TCB) cards for rations. Most households tried to access social safety nets. We found that intermediaries, individuals who helped people without strong formal or informal social networks and resources to access the right authorities and help them meet their needs, were key to helping households access social safety nets. Importantly, having political affiliations with the ruling party helped several households in getting documentation and accessing social protection schemes.

These strategies were constrained themselves by a series of factors, such as asset depletion and getting stuck in debt traps, not having the 'right' networks to access government social protection and loans – or even not being 'poor enough' to be entitled to it – notions of honour and shame related to their middle-class status and a distrust of the state, particularly local government actors. Several households reported financial and health-related constraints across all locations. Poor public health provision and the high health costs in private health

services meant that households were unable to afford good treatment unless they used their savings, hindering their ability to recover. Also, some households had individuals unable to work any more because of ill-health. Limited access to social protection and documentation and distrust of the local government were key governance-related constraints that several households faced.

Social norms were reported as constraints across all areas including gender norms and honour and shame around poverty. Households felt ashamed to ask for help due to the perceived stigma around being poor. This significantly constrained households, especially the 'never-poor' ones, from seeking assistance from the government in public and visible ways. Gender norms kept some women from engaging in income-generating activities. The burden of debt was reported across several households in all locations and only some households were in a position to repay their debts while most were struggling to repay and recover. The perception of local government as being corrupt and not interested in supporting the new-poor households was a major constraint combined with the stigma around asking for support.

Our study of household trajectories over the period of 12 months revealed that most of the 'never-poor'<sup>1</sup> households were recovering while most of the 'vulnerable non-poor'<sup>2</sup> households were not. Households that were recovering from poverty had stable occupations, were able to recover old assets or accumulate new ones, hadn't drastically cut food consumption, health, and education costs, and had the strength and ability to use current networks to improve their financial condition, and could repay loans.

These behaviours were strongly associated with the never-poor households' greater ability to leverage their networks. Although all households activated their networks as a strategy, the vulnerable non-poor were less successful in leveraging them. In terms of differences in strategies used by households who were recovering and not recovering, we didn't find any significant differences; rather, the households that were not recovering were using more strategies, but presumably with less success. Regarding constraints, we noticed that health constraints, debt burden, and lack of networks were reported significantly more in the households who were not recovering than the households who were recovering. Honour and shame were noted as a constraint across recovering and not recovering households, more so in the never-poor households since they were the most solvent before the Covid-19 pandemic hit.

- 
- 1 Households whose pre-pandemic economic status had any two of the following attributes: can absorb shocks without selling assets/mortgaging, stable occupation/s, not beneficiaries of social protection, generally offer Kurbani (see footnote 4), stable income.
  - 2 Households whose pre-pandemic economic status had any two of the following attributes: cannot absorb shocks without selling assets/mortgaging, unstable occupation/s, beneficiaries of social protection, generally do not offer Kurbani (see footnote 4), unstable income.
-

The role of the state was limited in the recovery of the new poor because social protection was mostly targeted to the ultra-poor. When our households did receive social protection, it was largely in households who had ties with the ruling party or local government officials or who were the vulnerable non-poor. Additionally, there were limited accountability mechanisms in place for households to voice their complaints, and households were also not keen to make demands. The lack of alternative livelihood opportunities for the rural and peri-urban households was a strong emerging theme, while urban households had greater opportunities to diversify livelihoods. We also noted the limited role of formal banks in supporting these households which led to households being dependent on microfinance institutions (MFIs) and family networks for credit. In several ways, these households need support from state, market, and non-government actors, but our findings reveal that they do not get much outside of MFI loans and state-provided social protection support when accessed via strong networks. This negligence along with factors like social norms is keeping households from recovering to their pre-pandemic economic status.

The paper is structured as follows. Section 2 provides the literature review and context. Section 3 outlines the methodology. Section 4 outlines the household profiles and discusses the governance needs of the households. Section 5 discusses the main household coping strategies. Section 6 unpacks the constraints to strategies faced by the households. Section 7 reveals the trajectories of the households and findings pertaining to it. Section 8 shares the conclusion, policy implications of the findings, and reflections on further research.

## 2. Background

### 2.1 Context

#### 2.1.1 State–society relations and local governance

Bangladesh has a local governance system administered by the Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives.<sup>3</sup> The administrative structures are different for rural and urban areas. At the rural level, the existing system provides a three-tier structure, which is Zila (district) Parishad (office), Upazila Parishad, and Union Parishad (UP). At the urban level, cities and towns are governed by the City Corporations and Municipalities. The 11 largest cities have city corporation status, while the rest are municipalities. These local government agencies deal with a large number of functions and responsibilities relating to civic and community welfare as well as local development. Local government agencies' capacity to deliver welfare services and protection is shaped by existing state–society relations.

The Bangladeshi state is weak *vis-à-vis* society. Its capacity to penetrate society through institutional reform at the local level and regulate social relations and norms is weak (Ali, Hassan and Hossain 2021). It is built on a social structure that is hierarchical based on gender and class within which patron–client relations shape citizens' engagement with the state (Nazneen, Hickey and Sifaki 2019). The bureaucracy is heavily politicised along party lines. The ruling party exerts strong control over public administration and law and order agencies at the local and national levels (Hassan 2013). The civil society space is also divided along party lines that constrain Bangladesh civil society's ability to demand accountability from the state. To some extent, accountability is demanded by the print media and rights-based NGOs, though the space for dissent is shrinking (Ali *et al.* 2021). The systemic nature of bureaucratic and political corruption has undermined state capacity and elite commitment to deliver inclusive development (Hassan 2013).

However, there is elite consensus around providing protection to citizens against famines and life-threatening shocks, including mass livelihood shocks (Hossain 2017). The state over the years has gained capacity to deliver development in sectors that are deemed crucial for the political survival of the elite, including

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<sup>3</sup> With the exception of the hill district councils, which are under the Ministry of Hill Tract Affairs.

social safety nets, primary health care, and education as these generate opportunities for distributing patronage.

Studies on Bangladesh report high levels of trust in local public institutions despite a high perception of corruption and poor public service performance (Mahmud 2021). Cultural orientations are important in understanding trust. Some argue that high trust in authorities despite poor public service performance is found in cultures that have a high authoritarian cultural orientation (ACO), which may be relevant for Bangladesh. Moreover, citizens may need to show loyalty to local public authorities to receive public services since there is favouritism and discrimination in public service delivery.

The culture of submissiveness to authority and hierarchy aligns well with reports of limited space for accountability within the ‘unreformed’ social service sector, which is based more on patronage and deference than rights and responsibilities (Hossain 2010). Within such a context of lopsided citizen–state relations, accountability happens in informal ways through small acts of personal, social, and political pressures, to claim accountability from frontline workers by utilising the threat of affecting the status and reputation of the frontline workers in the absence of any formal mechanisms (*ibid.*).

### *Kinship and social norms*

In Bangladesh, families and community actors are obliged to provide help to other family members (kin through blood and marriage) or those parts of their community, even if they are under constraints (White 1992). Kinship networks are a key source of support in times of crisis; this is particularly pronounced for women who have limited outside networks. In seeking assistance from the government, notions of shame and family honour shape people’s behaviour. Interestingly, patronage structures that exist with government actors/elected representatives are also couched using familial terms in Bangladesh (*bhai* [brother]; *apa* [sister]; *chacha* [uncle], etc). These structures of patronage and notions of family honour are strongly shaped by, amongst other things, gender norms.

Bangladesh is a ‘classic patriarchy’ where normative frameworks on gender stress women’s economic dependency on men and control over women’s labour, sexuality, and extra-household relations (Kabeer 1994). Gender norms dictate that women’s interactions with men outside their family, as well as their mobility in formal paid work and other public spaces, should be constrained and through male family members (Nazneen 2023). Notions of shame and family honour shape women’s interactions with men and the outside world (Kabeer 1994). Practices of segregation of men and women are enforced in social interactions to ensure sexual purity, as women’s reputation closely affects the family’s honour. While some of these norms have changed over time through women’s

participation in credit schemes and factory work, rural women largely rely on family and kin networks for support.

### **2.1.2 The impact of the Covid-19 pandemic and the state of social protection in Bangladesh**

Like many other countries, the Covid-19 pandemic was deemed as a health shock in Bangladesh. The rapid spread of infection and death owing to the pandemic initially paralysed the country. As an immediate response, the government introduced a nationwide lockdown which halted all economic activities, including the closure of educational institutions. However, in the first few months of the pandemic, livelihood and economic shocks gained more prominence over health risks, and the government opted for a more relaxed lockdown and gradual reopening of the economic sectors.

Despite the policy responses prioritising economic operations, the Covid-19 pandemic has initiated a prolonged economic crisis in Bangladesh. The gross domestic product (GDP) growth rate went down to 3.45 per cent in the fiscal year 2019/20 and was 6.94 per cent in the fiscal year 2020/21 compared to the more than 8 per cent growth rate achieved in fiscal year 2018/19 (MoF 2022). More importantly, the poorer subsection of the population was hit hard. An estimated 1.6 million people fell into poverty during the pandemic using the earlier US\$1.90 poverty line (Tateno and Zoundi 2021). The PPRC-BIGD survey shows that urban low-income settlements were more affected compared to peri-urban and rural areas (Rahman *et al.* 2021). Another estimate shows that the average household income fell by 19 per cent during the pandemic. While this loss impacted all the economic groups, the middle-income population was the most affected (Kidd and Sibun 2020; UNICEF Bangladesh 2020).

During the first few months of the pandemic, remittance inflow decreased significantly, and international migrant workers experienced job losses, wage cuts, and a substantial decline in their income (Karim, Islam and Talukder 2020). About 22 per cent of returnee migrants lost jobs, and among those who could retain jobs, 94 per cent didn't receive any salary during that period. Most importantly, since the migrant workers were the primary income earners of the family, their economic status impacted the household income significantly (Raihan *et al.* 2022; Sardar and Mozumder 2020). A large group of international migrants also failed to re-immigrate due to the lack of funds. The country also experienced reverse internal migration; migrant workers who had returned to villages during the lockdown but who could not afford to migrate back to cities despite the evident economic advantage they have in urban locations (Rahman *et al.* 2021). Informal sector workers and small and medium entrepreneurs were also hugely impacted by the crisis induced by the pandemic (Kader and Pattanayak 2020).

During the pandemic, the government took several initiatives to support people, as reflected in the budgetary allocation for the year 2020. The emergency relief programmes were rolled out, and the coverage of the existing social safety net programmes (SSNPs) was expanded along with the introduction of the new specialised social protection schemes. Two new specific cash transfer programmes were also introduced targeting poor people and workers. Despite the effort, the social safety nets were inadequate in supporting the people who were largely impacted during the crisis (Ahmed 2021; Hebbbar, Muhit and Marzi 2021; Kidd and Sibun 2020; Razzaque 2022).

**Table 2.1 Strategies used to reach new beneficiaries during the Covid-19 pandemic**

Types of relief	Coverage
Gratuitous relief (food)	75 million new beneficiaries
Gratuitous relief (cash)	
Open market sale	2 million households
Old-age allowance	0.5 million individuals
Widowed allowance	0.35 million individuals
Disability allowance	0.255 million individuals
Prime minister's Cash Support Scheme	5 million households
Cash support for laid-off workers in export-oriented industries	1 million workers

Source: Modified from Hebbbar *et al.* (2021).

At present, Bangladesh has 114 disparate social protection programmes, primarily focused on food distribution and cash transfers (MoF 2022). By design, Bangladesh's SSNPs primarily target the chronic poor and disadvantaged group of the population and do not target the vulnerable non-poor. This latter group was severely impacted by the pandemic but could not avail of government support during that time.

Bangladesh's social safety net also does not target the unemployed, except a few targeted Food for Work programmes to redress seasonal unemployment in the agriculture sector. Employment in the informal sector was as high as 85 per cent of total employment in 2016–17; this large group of workers faced employment losses, wage cuts, and had no or limited support from the workplace (Mujeri 2019). They also had no access to social protection (*ibid.*). Also, the SSNPs are basically designed in such a way that the coverage is higher in rural areas compared to urban areas. About 85 per cent of the country's safety net spending is allocated to rural areas. As a result, the affected urban and sub-urban population failed to avail themselves of the safety nets (Ahmed 2021).

Besides the gaps in coverage that result from the way programmes target the population, the way safety net coverage was rolled out was inadequate to support people who met the eligibility criteria. An analysis of four cash-based safety net programmes suggests that the reach of the programmes was insignificant compared to the vulnerable group of the population who needed support (Hebbar *et al.* 2021). For instance, the expansion of the old-age allowance only reached 16 per cent of the eligible beneficiaries, the expanded disability allowance only reached 5 per cent, and the prime minister's cash transfer only reached about 35 per cent of the eligible beneficiaries. More importantly, the support package was largely inadequate to retain consumption at the pre-pandemic level (*ibid.*).

The government's willingness to support the growth-oriented sector over the vulnerable groups also affected coverage. Osmani and Siddiquee (2021) argued that comprehensive entitlement support for four months would not have been impossible to design if the government had allocated additional resources amounting to 4 per cent of total GDP. The stimulus packages designed to support vulnerable industries have been significantly underutilised. Up to February 2022, only about 42 per cent of the total economic stimulus has been disbursed (Reaz and Alam 2021). Lack of data infrastructure and administrative efficiency came up as major areas of concern during the distribution of relief and safety net delivery. These affected the disbursement of cash transfer schemes; they reached less than half of the targeted groups (Razzaque 2022). At the same time, exclusion and inclusion errors were also widely reported, which limited the reach of these programmes (Khan and Khan 2021).

### **2.1.3 Post-pandemic period: Bangladesh, 'polycrisis', and the new poor**

Bangladesh is grappling with multiple crises – economic shock precipitated by the pandemic and the cost-of-living crisis triggered by a set of global and local events. Bangladesh is one of the worst victims of climate-induced shocks. A big cyclone and several floods have hit the country in the last three years. The impact of climatic disasters unevenly affects poor people who depend on agriculture and other climate-dependent occupations. The Ukraine–Russia war has disrupted the global supply chain causing rising fuel price rises and an energy crisis in the country. The current trade deficit, lack of foreign reserves, and high inflation have weakened the country's macroeconomic stability. For the first time in 13 years, the country's food inflation has reached double digits (Bangladesh Bank 2023). The polycrisis has deeply affected the poor, including those households that fell into poverty when the Covid-19 pandemic hit.

Disasters disrupt livelihoods and push vulnerable households into poverty, creating the 'new poor', and their coping strategies can keep them in poverty (Karim and Noy 2016 in Gomes *et al.* 2023). Bangladesh witnessed a rise in

poverty during the Covid-19 pandemic. A study found that daily per capita income fell between February and June 2020 across urban and rural areas pushing vulnerable non-poor households into poverty (Rahman *et al.* 2021). Follow-up surveys found that these households were less likely to bounce back from their new-poor economic status compared to their pre-Covid economic status. There were multiple reasons for this. Firstly, these households were less likely to find alternative employment and to be targeted for support. Secondly, the shock-responsive social protection system is weak in Bangladesh. Thirdly, as the credit market was disrupted and access to institutional credit was reduced, these households struggled to access credit. Finally, their family and support networks also could not be approached for help since they too were in a similar financial position (Khan and Khan 2021; Raihan *et al.* 2021). In 2022, follow-up surveys of PPRC-BIGD estimated that 18.54 per cent of Bangladesh's population, i.e. 30.9 million people were 'new poor' (Rahman *et al.* 2021).

## 2.2 Literature

This section reviews four different bodies of literature on networks, social norms, trust and expectations of the state, and indebtedness. We draw out aspects from these bodies of literature that are relevant for our analysis of the strategies the new-poor households that we selected use to recover from poverty, the constraints they face, and the governance implications of these.

### 2.2.1 Networks

While the role of networks in shaping development is not new, it has seen a resurgence of interest in recent years, particularly in understanding the strategies people use in advancing different types of interests. In the Covid-19 context, it becomes important to see how networks enable survival and resilience both materially and mentally.

The notion that networks are an important mechanism for resilience has been highlighted in the literature on economic development, including the literature on organisations (Powell 1991), labour markets (Granovetter 1973), flexible specialisation (Schmitz and Nadvi 1999), public goods (Migdal 2001), public administration (Rhodes 1997), and social movements (Diani and Mische 2015). However, there is not much in the literature that highlights the usefulness of networks in the context of collective shocks that occurred during the polycrisis of Covid, economic downturns, and climate change. To understand how the literature on networks might be useful, it is worth revisiting some core ideas.

One of the core ideas of networks is that, in contrast to hierarchies like the Weberian state, they are heterarchies, where 'several strategic apexes emerge, that these shift over time, and that there are several ordering principles at work'

(Hedlund 1994: 84, in Ansell 2000: 306). This implies that the locus of power shifts from one area of the network to another – that there is no single point of authority or system of rules. It also suggests that members in a network can be simultaneously in relationships as givers or receivers at different time periods, or even within the same time period for different members in the network.

Another idea that is central to the analysis of networks is that of relationships of exchange – the content of what passes through the network. Some scholars suggest that networked forms of coordination are light and nimble, and at the same time efficient and reliable. For example, Powell (1991: 272) notes that ‘Information passed through networks is “thicker” than information obtained in the market, and “freer” than that communicated in a hierarchy.’ Other types of exchanges can also flow through networks – such as goods and services, political support, and decision-making authority. Such exchanges are often reciprocal, preferential, and mutually supportive, and yet the relationship is valued more than what flows through, as credibility is key to maintaining networks. In networks, ‘The preferred option is often one of creating indebtedness and reliance over the long haul’, rather than short-term exchange (Powell 1991: 270). In other words, exchange within networks can be the glue that holds communities together – so the question becomes, what happens when networks get depleted and fail to provide the support that is expected over a longer period of time?

A final notion key to the analysis of networks is that they are not simply collaborative but can also involve actors with conflicting interests and differences in power. Because of these asymmetries, networks have boundaries that determine inclusion or exclusion. They can generate dependency and/or preferential treatment for some over others. Through their very structure, networks can limit access to resources to those who are members of the network, or have access to it, through some other connection or temporary alignment. Thus, those households that are part of several networks, unsurprisingly, have a better chance of recovering from shocks as compared to others who might have limited access to a diversity of networks.

To advance our analysis, we can think of networks in terms of four types. First are familial networks – of immediate and extended family and kinship. Second, are networks based on community – friends and neighbours who informally link households to broader communities and resources. Third are networks developed through the workplace, which can be both formal and informal – unions, co-workers, managers, and so forth, depending on the workplace; these could link households to NGOs’ resources including loans (due to volunteer work), or to markets and jobs (through business networks). Finally, there are networks related to state institutions, although, for the most part, direct links to

state institutions (that are not also simultaneously links of family, community, or workplace) are rare.

Given the importance of networks, we explore the types of coping strategies that are associated with particular kinds of networks, e.g. whether loans are more likely from family and NGOs vs jobs/migration linked to intermediaries; the networks they have; and the robustness of these networks in the contexts of a polycrisis. Our focus is on the diversity of ways networks are used by new-poor households, drawing insights from how households navigate various networks.

### **2.2.2 Social norms: notions of honour and shame and sexual purity**

One of the factors that shape people's networks, and the usage of these networks is social norms. Social norms shape the kinds of behaviour of men and women and dictate what kinds of action are appropriate for men and women and a given society (Cislaghi and Heise 2019). These norms shape development outcomes (Galván and García-Peñascola 2018; Muñoz Boudet *et al.* 2013). Social norms are embedded in social and economic institutions, including within the home, community, market, and the state and govern the everyday interactions of men and women (Agarwal 2010). How men and women act to cope with the effect of health and economic shocks and seek help from others is governed by these social norms.

Norms of reciprocity govern how people seek help or provide help in a community. Gender norms are an important part of social norms that shape the behaviour of the new poor. In our analysis of how new-poor households use networks, we focus on how norms feature in this process, particularly notions of honour and shame (see the next section). We also explore the way expectations and practices around gender-appropriate behaviour shape the way men and women of the selected new-poor households use strategies to recover from poverty. We also explore how gender norms, particularly those that govern sexual purity and limit women's engagement in extra-household spheres, are closely linked to shame and a family's honour and can act as constraints in the way recovery strategies are deployed by new-poor households.

#### ***Poverty and shame***

Apart from gender norms, ideas of honour and shame are also strongly linked to poverty and how people's actions are affected by it. The link between poverty and shame has been noted by several scholars. Amartya Sen (2000) has argued that shame lies at the core of poverty and is an attribute of poverty (Zavaleta Reyles 2007). The relationship between both is bi-directional; poverty might cause or reinforce shame, and shame may decrease, cause, or increase poverty as it affects what people choose to do (Chase and Bantebya-Kyomuhendo 2014).

Shame, though felt internally, is exposed externally by society. Shame can undermine people's capability of affiliation, which is concerned with self-respect and non-humiliation (Nussbaum 2011). Shame also undermines the ability to convert capabilities to functioning abilities (Roelen 2017).

Poverty-induced shame can have several ill-effects; for example, weakening people's decision-making skills and ability to move out of poverty (Lister 2004, in Roelen 2017); making people feel they have to hide their poverty and 'keep up appearances'; and effects such as anger, withdrawal, and depression (Chase and Bantebya-Kyomuhendo 2014). Those in poverty might fear discrimination, devaluation, and negative labels due to the stigmatised status of those in poverty (Scrambler 2004, in Roelen 2017). They may feel incapable of taking steps towards changing their circumstances due to low self-esteem and heightened self-consciousness. These emotions can make them distance themselves from institutions set up to help them. The link between poverty and shame is important to explore for new-poor households as notions of shame may prevent the new poor from seeking help through official channels and also limit the kinds of strategies used by these households to recover from poverty.

Poverty-reduction policies can also cause or reinforce shame, and this can impact the uptake of these programmes, given the stigma and shame around their usage (Li and Walker 2018). Social welfare recipients can feel shame due to notions of poverty being linked to poor character (Stuber and Schleisinger 2006), belittling treatment in the implementation of the programme (Edmonds 2005, in Li and Walker 2018), and the unequal power relations between recipients and non-recipients (Roelin and Gassmann 2011). These aspects are important for our analysis of how new-poor households sought assistance from the state and our explanation of the governance implications of their choices.

### **2.2.3 Citizen–state relations, trust, and expectations**

Trust and expectations was the third area this research dealt with in studying the new poor. Political trust is used to describe how citizens view their government. Research has found that citizens lack the necessary information to discern if politicians are trustworthy (Hooghe, Marien and Oser 2017).

Public institutional trust has been studied using four different approaches: quality of government, quality of public services, social capital, and demographics (Mahmud 2021). Research on Europe found that trust in one institution leads to trust in other institutions. Moreover, satisfaction with public services leads to higher trust in public institutions (Christensen and Laegreid 2005). Governments that have higher levels of public trust can govern more effectively (Cooper, Knotts and Brennan 2008). Trust in government was important during the Covid-19 pandemic since higher trust in government was associated with higher adoption of health behaviours such as handwashing, self-quarantine, and so

forth (Han *et al.* 2023). Given that the quality of public service provision is poor in Bangladesh, it is important to explore how the new poor perceive local public authorities, particularly their trust in and expectations of the state, as these shape the strategies they choose to use to recover from poverty. More specifically, this encompasses the levels of trust and the kinds of expectations people have of the state, as well as the kinds of demands people make on the state and the state's perceived potential for rebuilding shock-responsive systems.

#### 2.2.4 Depletion and indebtedness

Depletion and indebtedness was the fourth key area this research explored in its study of the new poor. Shocks and natural disasters lead to an increase in poverty as they disrupt poor people's livelihoods (De Haen and Hemrich 2007). How economic and health shocks affect the poor is much discussed in the chronic poverty literature. Economic and health shocks and disasters affect poor people disproportionately. They are more vulnerable, regardless of where they are located, because of the effect shocks and disasters have on their consumption level and assets. The poor also have less ability to cope or lower socioeconomic resilience (Hallegate *et al.* 2020).

As discussed in section 2.1.3, the absence of shock-responsive social protection, constraints in the credit market, and lack of a supportive recovery system may mean that the poor find it difficult to recover from shocks. The long-term impact can be witnessed in the permanent loss of assets because they have been damaged, and households cannot recover them, or they have been sold off (distress sale). The poor also reduce their food intake, leading to an impact on the nutritional status of both children and adults. They also change health-seeking behaviour. The lack of alternative livelihood options because of the absence of formal mechanisms such as safety nets, access to credit, and insurance may push households into a poverty trap. The impact on children's education is direct (Jensen 2000) leading to intergenerational poverty.

This depletion of assets and also in levels of wellbeing is important to explore in the case of new-poor households as these reveal the impact of polycrisis. With respect to depletion, what is important to explore for the new poor is how the social and economic resilience of this group was affected because most people in the networks of this group were also affected by the pandemic and lockdowns (Gomes *et al.* 2023). Thus, the depletion of support networks is also an important element to focus on with respect to how the new poor coped during the pandemic and who recovers.

Credit remains an important recovery mechanism, but constraints in the credit market limit who qualifies for credit and the size of packages. Whether this strategy works depends on how households use credit and the kind of support they receive in this regard. Evidence from credit studies shows that households

may borrow to consume, invest, or borrow for both purposes. Consumption loans in the post-recovery period may indicate that the household is in distress. Households may also borrow to repay loans (Osmani 2017) or have overlapping credit. While none of these practices mean that households have fallen into a debt trap, borrowing multiple loans does pose a risk to extremely vulnerable households that are struggling to repay. For new-poor households in Bangladesh, this would be an important aspect to explore in terms of the constraints they face and their recovery trajectory.

### 3. Methodology

To explore which coping strategies new-poor households used in their attempt to survive the pandemic and bounce back to their pre-pandemic economic status, we used a household-level qualitative panel survey. We refer to this approach as ‘governance diaries’ (Loureiro *et al.* 2023), an iterative alternative to ethnographic studies and large-n surveys that often lack comparability and sensitivity respectively, to gather qualitative information over time. As such, the method brings together the strengths of ethnographic, longitudinal, and comparative approaches to study changes in complex behaviour. It uses qualitative panel data that identifies the lived experiences of governance and service provision, and how that plays out over time in relation to unfolding events or processes – such as the effects of a pandemic.

We originally developed this methodology at IDS for a four-year study of how poor and marginalised people solve their governance problems in conflict-affected areas of Mozambique, Myanmar, and Pakistan (Anderson *et al.* 2023). Re-naming it the ‘Durdiner (Hard Times) Diaries’, we followed the trajectories of new-poor households, documenting their coping strategies, constraints, and lived experience of governance over several months. Through a series of visits and interviews, we explored the kinds of issues that came up for households, who they did or did not engage to help them, how far any action was individual or collective, and how far any issues were resolved. We developed these interviews iteratively and followed up on specific issues individual households faced – hence ‘diarising’ their experience – as well as using standard approaches such as institutional mapping across households.

We focused particularly on the ‘the new poor’, i.e. households who previously had secure, stable livelihoods before the pandemic but have since faced significant economic loss and are now struggling to recover. We chose to focus on households that were new poor because these households were in a unique position where they were not used to seeking state support since they were not poor pre- the Covid-19 pandemic. Additionally, they were an important group to study since surveys suggested that several millions were new poor and not escaping poverty despite the pandemic ending. Tracking these households over time to understand their governance needs and their strategies and constraints could offer critical insights into governance and policy for the new poor. We identified measures of relative poverty, taking as a starting point the definition of new poor as households that were not in poverty pre-Covid-19 but entered poverty during the pandemic.

### 3.1 Selection process, location, and data collection

To identify these households, we used a list of attributes which included the following:

- Loss of livelihoods
- Shifting to lower-income occupations
- Reduction of spending on health, education, and food consumption through understanding the change in health-seeking and consumption behaviour
- Loss of capital and assets
- Increase in numbers of loans and amount borrowed in post-pandemic period compared to pre-pandemic levels
- Inability to maintain the repay debts.

If all six attributes matched the household, they would be considered ‘new poor’ for this research. Furthermore, we categorised households as ‘vulnerable non-poor’ and ‘never poor’ based on our snapshot of their pre-pandemic economic status. If a household met any two of the five indicators under one of the categories, they would be considered as ‘vulnerable non-poor’ or ‘never poor’ for this research.

**Table 3.1 Criteria for categorising new-poor households**

Serial number	Vulnerable non-poor household attributes	Never-poor household attributes
1	Cannot absorb shocks without distressed sale of assets/ mortgaging	Can absorb shocks without selling assets/mortgaging
2	Unstable occupation/s	Stable occupation/s
3	Beneficiaries of formal social protection	Not beneficiaries of social protection
4	Generally do not offer Kurban <sup>4</sup>	Generally offer Kurban
5	Unstable income	Stable income

Source: Authors' own.

<sup>4</sup> Kurban is a religious practice of Muslims which requires sacrificing a livestock animal during the festival of Eid ul-Adha.

We explored new-poor households' experiences across urban, peri-urban, and rural locations in Khulna District. The rural location comprises two villages of Khulna District which are located under two different unions of one Upazila (sub-district). The peri-urban location is a sub-district very close to the Khulna City Corporation, and the urban location comprises an informal settlement in Khulna City. Over the course of 12 months, between November 2022 and November 2023, we visited and interviewed 39 households across the locations seven times.

During the inception visit, we identified several households meeting the above criteria in each research site and invited them to take part in the research. We made sure that participating household members were doing so willingly, that they understood the longitudinal nature of the research process, and that they could withdraw at any time. Aiming to follow between 10 to 15 households per type of location, we started with 18 urban households, 17 peri-urban, and 20 rural (spread through two villages) and ended with 15 urban, 10 peri-urban, and 14 rural households. In April and August 2023, we conducted two rounds of interviews with selected local intermediaries, actors who play a role in providing community leadership or service provision – from government officials to informal middlemen, private sector actors, local politicians, and service-providing NGOs. This allowed us to triangulate household-level findings, letting different perspectives on the same issues surface. It also allowed us to unveil how and when the views and experiences of those in positions of authority or with service provision responsibility aligned with those of the new-poor households.

### **3.2 Data analysis: coding process and strategies**

We used NVivo software to code both the transcripts of all household and intermediary interviews, as well as field researchers' reflective notes that captured their insights and observations of households and intermediaries for each interview. Each household and intermediary was assigned a 'Case'. 'Case Classifications', a function which allows categorisation of the cases, was added for all households, including categories such as area type, pre-pandemic economic status, political affiliation, gender of household head, and so forth. We created an initial codebook after five rounds of household interviews based on the research questions, monthly analytical meetings, and reviews of reflective notes, which reflected key thematic interests and findings.

The coding process did not begin until the end of the fifth round of interviews, by which time we had completed two key analytical workshops with the entire research team and identified key themes. Some of the key parent nodes in the coding sheet included 'Actors', 'Strategies', 'Issues of Households', 'Shocks', 'Consumption', 'Dynamics', and 'Constraints'. Through these parent nodes and their child nodes, we could capture the relevant information needed to comment on the 'new-poor' status of households over several months of research, the

household trajectories in bouncing back to their pre-pandemic status, key governance needs, and coping strategies and constraints in meeting their governance needs.

We took an iterative approach towards coding, beginning with an initial codebook. As new findings or sub-themes emerged while coding the various reflective notes and transcripts, we added new parent or child nodes if relevant and significant. Regular discussions took place on an instant messaging application regarding adding or deleting nodes throughout the coding process. Based on these discussions, we would make the necessary changes in each individual NVivo project. NVivo files were merged regularly to ensure that there was consistency in the codebook across the different individuals who were coding. The 'Matrix Coding Query' and 'Framework Matrices' functions on NVivo were used to see patterns across Case Classifications such as areas, pre-pandemic economic status, and political affiliation, and nodes concerning strategies, constraints, and issues of households. These coding processes and functions were used to gather findings from this research.

In thinking about our households and their potential to recover, we realised that although our sample consists entirely of households who were non-poor prior to the pandemic, this was a snapshot of their situation in the pre-pandemic period. Initial interviews with households showed that while some of them were comfortably positioned in terms of shock absorption, consumption, livelihood security, and borrowing, others were much more restricted in their circumstances. We subsequently termed the former as 'never poor' and the latter as 'vulnerable non-poor'. Based on their ability to recover the households were further categorised into 'recovering' or 'stuck'.

### Table 3.2 Criteria for analysing the recovery status of the new-poor households

Serial number	Recovering	Not recovering
1	Stable job/s	Unstable jobs
2	Repaying loans	Not repaying loans/taking multiple loans/debt trap
3	Upward trajectory in education and health	Reduced consumption in education and health
4	Recovering old assets or acquiring new ones	Unable to recover old assets or acquire new ones
5	Strong networks	Weak networks

Source: Authors' own.

Recovering households generally had one or more members in stable occupations and were able to recover old assets or acquire new ones. Although not to the levels prior to the pandemic, the recovering households had largely started to consume better diets more regularly, access health care and education without holding back, and help others to some extent. They had repaid or have started to repay most of their loans and were showing signs of getting out of the debt trap. Furthermore, they had stronger networks, which they could utilise along with their assets in their survival as well as recovery endeavours.

The stuck households, in contrast, mostly could not recover lost assets or accrue new ones and had members with unstable livelihoods. They subsisted on vegetables or leafy vegetables with little animal protein, postponed or forewent or resorted to cheaper options when accessing health care and education, and could not help others since they mostly had to rely on others' support. Their networks, along with their assets, were relatively weaker and were also primarily used to survive and absorb shocks.

Explaining what we mean by the survival or recovery endeavour is essential, since it is intricately connected with the future trajectory of a household. While our households employed a range of strategies, it is important to distinguish whether those strategies were used for survival endeavours – actions that entail coping with shocks – or recovery endeavours – actions that entail bouncing back. For example, a household can take a loan as a strategy, but it can be used for spending on health care or for investment in livelihoods. Therefore, the same strategy is used to cope with a shock in the former case, whereas it is employed for recovery in the latter.

Again, not all recovering and stuck households had all of the indicative features of their respective categories. Similar to the previous categorisation, we employed our judgement on a case-by-case basis to decide on the borderline households.

We first analysed according to whether households were never poor, or vulnerable, and whether and how they seem to be recovering from the polycrisis, or not. This gives us a succinct two-by-two table (Table 3.3):

**Table 3.3 Categorisation of households based on pre- and post-pandemic status**

	<b>Never poor</b>	<b>Vulnerable non-poor</b>
<b>Recovering</b>	A Thriving	C Reviving
<b>Stuck</b>	B Surviving	D Sinking

Source: Authors' own.

## 4. Profiles of households and local governance

This section provides a snapshot of the locations and household profile.

**Table 4.1 Snapshot of household profile**

Type of area	Number of HHs	Female-headed HHs	HHs in informal sector work	HHs with international migrants	HHs with international migrant returnees	Never-poor HHs	Vulnerable non-poor HHs
Urban	15	3	15	5	1 <sup>5</sup>	2	13
Rural	14	1	13	-	3	8	6
Peri-urban	10	-	10	1	2	9	1
<b>Total</b>	<b>39</b>	<b>4</b>	<b>38</b>	<b>6</b>	<b>6</b>	<b>19</b>	<b>20</b>

Source: Authors' own.

### 4.1 Urban location

#### 4.1.1 Overview of the households

We selected 15 households from an informal settlement site in Khulna. Apart from three, all of the 15 households were male-headed households. However, the female adults in the male-headed households were active in household decision-making and mobilising various networks. Apart from two households (both of them were female headed), the age of the household heads fell in either the 30–40 years age group or the 40–50 years age group. The size of most of the households was between two and five members. The needs of the households revolved around the issues of livelihood security, debt, health care, education, and access to the social safety net (SSN).

All of the households have member(s) working in the informal sector. The occupations can be broadly categorised into two types: micro and small entrepreneurs (e.g. street vendors, home-based tailoring) and wage labourers (e.g. day labourers, bus driving). Five of the households have a member who was working as an international migrant. Among them, two of them were women

<sup>5</sup> Returned to Bangladesh in 2022 for Ramadan and not due to the Covid-19 pandemic.

and three were men. Most of the households in this location have multiple income sources with more than one income earner.

No household from the selected 15 was a beneficiary of the formal SSN before the pandemic. However, access to SSN improved after the pandemic as eight of them had some form of coverage, mostly TCB ration cards. Urban households could access loans primarily through microcredit organisations, local moneylenders, relatives, and neighbours. None of the households took out bank loans before or after the pandemic. Quite a few of the urban households were trapped in debt cycles, particularly due to their heavy reliance on MFIs (see section 6).

#### 4.1.2 Local governance and intermediaries

The selected informal settlement, informally known as a colony, is situated in one of the 31 wards under the jurisdiction of the Khulna City Corporation (KCC). Similar to any other wards governed by the City Corporation Act 2009 (People's Republic of Bangladesh 2009), it has a ward commissioner and a reserved women commissioner (who is also the female local representative of two other wards). The mayor is responsible as the head of the city corporation and all ward commissioners and reserved women commissioners are accountable to the mayor. Generally, the respondents of this specific colony reach out to the ward commissioner and female ward commissioner to access different types of services, including SSN (e.g. old-age allowance, widow allowance, disability allowance, maternity allowance, TCB cards), public goods (e.g. roads and drain construction, waterlogging, electricity), and documentation (e.g. birth registration card, death certificate, National Identity Card, NID).

There is a range of informal intermediaries apart from the formal ones who play significant roles in accessing the services in this settlement. These intermediaries are aware of the gap between the demand and supply of SSN and public goods and are used by the formal authorities (local government officials) as 'insiders' to facilitate the identification of beneficiaries and distribution of resources. Therefore, residents of the colony try to utilise their existing networks to directly or indirectly connect to these intermediaries. The colony also has a central committee comprising political leaders who liaise with the formal authorities. It also has a unique group of 'NGO interlocutors' generally called 'NGO *apas*' (female community workers of NGOs inside the colony), who are intricately involved in accessing and distribution of various resources and services in the community. Both the committee and the NGO *apas* are unique to the urban area since they are absent in our rural and peri-urban locations. Besides them, intermediaries in this colony include brokers (*dala* in local dialect), local elites, moneylenders, and health service providers.

## 4.2 Rural

### 4.2.1 Overview of the households

As sites for the rural location, we selected two villages from a specific Upazila. Among 14 selected households, eight were from one village (termed as rural 1) and the rest were in another (rural 2). Among the 14 households, we have three types of infrastructural variations in almost equal numbers: five pucca, five semi-pucca, and four kaccha houses. All households but one are male headed though some (about four out of 14) have female earners. However, female members of male-headed households were active in decision-making and network mobilising processes across these households. Only one household in rural 1 (RUR1-HH06) is female-headed. The most prevalent age group of the household head was between 40–50 (six households), then 50–60 (four households), and a few belonged to the 30–40 age range (three households). Only one household head was 70 years old (RUR1-HH09). The size of most of the households was between two and five members while five households had more than five members.

In both the villages, agriculture was a key source of income (both primary and secondary). Other sources of income included fishery, livestock, vegetable production, and rice cultivation. Other than that, people were primarily engaged in small businesses such as running tea stalls, grocery stores, selling peanuts, and so forth. Working on daily wages (mills, ships) was another mode of livelihood. International returnee migrants are unique in rural 1 (three households). Most of the families (eight out of 14) had multiple earners with secondary income sources. Only two households (RUR2-HH06 and RUR2-HH10) relied solely on their primary livelihood.

The needs of the rural households revolve around the issues of livelihood security, migration, documentation, debt, health care, education, and access to the SSN. Only three households from the selected 14 were beneficiaries of the formal SSN before the pandemic. However, access to SSN improved after the pandemic as eight of them were under the coverage, and most had TCB ration cards along with widow and old-age allowance. Rural households could access loans mostly through microcredit organisations, banks, local moneylenders, relatives, and neighbours. Similar to the urban ones, a significant number of the rural households were trapped in debt cycles, particularly due to their heavy reliance on microcredit.

### 4.2.3 Local governance and intermediaries

Rural 1 and rural 2 sites are situated in two different unions under the jurisdiction of one Upazila. Rural 2 has one electoral ward while rural 1 is divided into two wards (5 and 6). According to the local government (Union Parishad) Act 2009 (GoB 2009), a union has nine wards. Each ward is represented by a member. But each of these wards are clustered into a unit comprising three wards in a union, and they are reserved for a female member. The Union Parishad chairman is responsible as the head of the Union Parishad, and all of the ward members are accountable to the chairperson. Moreover, Union Parishad chairmen are accountable to the Upazila Parishad chairman. The Upazila Nirbahi Officer (UNO) is the head of the Upazila and coordinates with all the local government representatives.

Generally, our participants of both villages had contact with the ward members (male and female) and the Union Parishad chairman to access different types of services including social safety net cards (VGD/VWB cards, TCB cards, widow, old-age and maternity allowance), public goods/facilities (infrastructure, sanitation, health facilities in the community clinic, and Upazila Health Complex), documentation (birth registration card, NIC, nationality certificate, land registry), and dispute resolution (e.g. land issues, court cases). They also contact the Shalish members to resolve disputes, domestic violence, and internal conflicts. In Bangladesh, Shalish is a widely used social system for informal adjudication of petty disputes by local notables, such as *matbars* (leaders) or *shalishkars* (adjudicators).

There are several informal intermediaries apart from the formal ones who play a significant role and help the residents of the villages to access the existing services as the demand and resources lack equilibrium. Beneficiaries tend to make the maximum use of their contacts and secure social protection or public services. Shalish members, former local representatives, local *murabbi* (elderly ones), political leaders, local elites, and brokers (*'dala'* in local dialect for migration purposes) are the most frequently approached intermediaries in both villages. People also go to informal health-care providers that are mostly private, to access formal health care by utilising their reference and networks.

## 4.3 Peri-urban

### 4.3.1 Overview of the households

We selected ten households from the sub-district/Upazila, our peri-urban location. All of the ten households were male headed, and these male household heads were very active in household decision-making processes and mobilising various networks. More than half of the household heads were in the 40–50

years age group and the rest of them fell either in 30–40 years or 55–60 years age bracket. The size of most of the households was between three and six members. The needs of the households revolved around the issues of livelihood security, debt, health care, education, migration, documents (NID cards, trade licences,) and access to the SSN.

The occupations of household members can be broadly categorised into two types: micro and small entrepreneurs (e.g. tea stall business, tailoring, grocery shop, bedding business, restaurant business) and wage labourers (e.g. day labourers, migrant workers). The majority (eight out of ten) of the household heads are small business entrepreneurs, and two household heads are wage labourers. Among these households, two of the household heads were working as international migrants, and they are currently working as grocery shop owners. At present, only one household head is working as an international migrant. Most of the households in this location have secondary sources of income with one income earner who is the household head. Only two households have multiple income earners, whereas only one household has a female income earner who is the daughter of the household head.

Only one household from the selected ten was a beneficiary of the formal SSN before the pandemic. The majority (nine out of ten) households were never poor before the pandemic. However, access to SSN improved after the pandemic as four of them had some form of coverage, mostly TCB ration cards. Peri-urban households could access loans mostly through microcredit organisations, business *mohajons* (commonly known as money lenders), banks, and relatives. In contrast to rural areas and urban areas, only two households were trapped in debt cycles.

#### 4.3.2 Local governance and intermediaries

The peri-urban location is also situated in a specific ward under the same Upazila from where we have selected the villages in the rural location. The governance structure is very similar to that of the rural location, where Union Council members and the chairperson are key local government actors. Generally, the respondents of our peri-urban community contact their ward members, the female ward member, and the Union Parishad chairman to access different types of services including social safety net cards (e.g. VGF cards, TCB cards, old-age allowance), public goods/facilities (electricity, health facilities in public hospitals, bank loans), documentation (e.g. birth registration card, NID card, trade licence) and for dispute resolution (e.g. land issues, court cases).

In addition to the formal intermediaries, there are several informal intermediaries who play a significant role in accessing existing services. Beneficiaries therefore frequently use their connections through their 'network' mostly for accessing SSN and governmental services. This 'network' was developed through building

personal relations with the intermediaries if they were members of the same political parties or were connected through friends, family members, or neighbours. This group of informal intermediaries comprises political leaders, local elites, brokers (*'dalal'*), moneylenders, and health service providers. The respondents turn to brokers for migration purposes.

## 5. Coping strategies

In this section, we discuss the strategies ‘new-poor’ households used to cope and recover from the multiple shocks that were primarily induced during the Covid-19 pandemic. First, we detail the various strategies used and investigate whether strategies vary by location. We then explore how these new-poor households used familial and other networks to access resources and support and comment on the importance of networks as important mechanisms through which the governance needs of these households are met.

### 5.1 Coping strategies by location

The most common coping strategies used by the new poor across locations were to borrow money, reduce consumption, and hold multiple jobs. Beyond these three strategies, households also have other strategies such as trying to access social protection and registering complaints with both formal and informal authorities to find a solution. Households in rural and urban areas were more successful in accessing safety nets compared to the households in the peri-urban location. Households also mentioned instances where they negotiated with the various public authorities to secure and manage access to resources and services, and a few instances where they protested. When compared with other strategies, it appears that voicing their concerns was not used very widely.

**Table 5.1 Strategies by location (number of households)**

Categories of strategies used	Specific measures	Urban (N=15)	Peri-urban (N=10)	Rural (N=14)	Total (N=39)
Financial strategies	Loans and borrowing in kind	14	10	14	38
Cost-cutting strategies	Reducing consumption/ cost of health care/ education	15	9	14	38
	Using assets	6	6	13	25
Livelihood strategies	Multiple occupations	11	7	10	28
	Searching for alternative livelihoods	7	6	8	21
	Shifting occupations	5	8	9	22
	Migration	3	2	3	8
Social protection	Accessing various safety net schemes (VGD, TCB, VGB)	12	4	11	27
Voicing	Taking up the governance chain	6	6	5	17

Source: Authors' own.

Note: Colour codes are assigned based on the number of households using a strategy as a share of total household in a specific location.

Key:

<=20% HHs using this strategy	21– 40% HHs using this strategy	41– 60% HHs using this strategy	61– 80% HHs using this strategy	81– 100% HHs using this strategy
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### 5.1.1 Financial strategies: loans and borrowing goods

During the pandemic, the respondents largely depended on loans to survive. After the pandemic, loans were secured to invest in business, fund migration, or mitigate health shocks. About four-fifths of the households explicitly mentioned borrowing money from different sources. During the pandemic, households borrowed cash, while many also secured supplies from grocers on credit. About

two-thirds of our household heads were businessmen who owned small grocery stores, tailoring shops, tea stalls, or scrap businesses. Some were also involved in cow-rearing or selling clothes. Usually they bought these products on credit and repaid the investor after they made a sale. During the pandemic, many of them sold these goods without making a profit or sold them on credit or used them up for their own consumption, all of which impacted the repayment arrangements that they had with their investors. They had to get more goods on credit once the business re-opened but had to follow the same pattern for quite some time as business was slow. One of our respondents in the peri-urban location who was a restaurant owner made the following observation about borrowing:

*Borrowing was the obvious option during the pandemic as we could earn nothing. My daily expense was 500 BDT (Bangladesh taka) per day which amounted to a total of 15,000 BDT per month. I received only 7,000 BDT a month as a pension. Don't you think it is natural that my debts have piled up?*

(HH07-HV1, restaurant owner, peri-urban, Khulna, 11 December 2022)

To access loans, households used multiple sources. Family networks were a primary source for loans, along with loans from microfinance institutions (MFIs), commonly referred to as NGOs, by the households (see Table 5.1). The strong presence of MFIs combined with the lack of formal banks were common features across our study areas. Only a few households in the peri-urban and rural locations mentioned accessing loans through agricultural banks such as the Bangladesh Krishi Bank. In urban and peri-urban locations, small business owners also formed cooperatives from which they borrowed money. Accessing loans from *mohajons* was quite common across the locations. A few households mentioned pawning jewellery against the loan.

Accessing multiple loans was quite common across locations. For households in all three locations, MFI loans proved easier to access than loans from banks. One notable feature of these MFI loans was that they were mostly instalment-based, and households needed to make regular payments to remain eligible. Accessing loans from different MFIs helped households invest in businesses they owned and repay recurring instalments.

### 5.1.2 Livelihood strategies

Livelihood losses were the most immediate and direct shocks induced by the pandemic among our respondents. Households responded to these shocks by searching for alternative livelihoods, shifting occupations, and taking up multiple jobs. For some households, the change in occupation was a temporary strategy; they changed occupations when Covid-19 infection rates were increasing, and

restrictions were in place. Once the lockdown was lifted and the rate of infection fell, respondents went back to their original occupations. For example, small vendors found it easy to switch occupations. One of our household heads started selling masks instead of selling snacks during the pandemic. For others involved in the poultry business or private sector employment, it was difficult to switch occupations as the nature of their investment/employment was not readily transferable.

The income shocks were more severe in peri-urban localities because of the jute mill closure. During the pandemic, three jute mills in this area were permanently closed and the workers laid off. Getting a job amid the crisis was almost impossible for the laid-off workers. At the same time, the jute mill workers had specific skillsets which were not readily transferrable. One of our respondents, a former jute mill worker, said that after being laid off, he engaged in multiple temporary jobs including as a dock worker at the river ports in Khulna and as a part-time worker in a furniture shop, while also carrying out his duties as a member of the Ansar (paramilitary force). Taking up multiple jobs, all short-term and part-time, was common among other respondents who worked in specialised sectors. One of our rural respondents who used to work with digital technology made the following observation about having limited choice when it came to finding alternative employment.

*Nowadays I design signboards. Sometimes people ask me to set up [Microsoft] Windows on their computer – I do that. The job that I get to do now is very low key, I do whatever comes up. The current situation is bad for me [in a sad tone], I can't choose what I do, I can't afford to be selective, it is a question of survival. Hopefully, things will improve.*

(HH09-HV1 household head, tea stall owner, rural 2, 11 December 2022)

In fact, taking up multiple occupations as a coping strategy was widely reported across all locations. Among the total 39 households, more than three-quarters had a secondary occupation during our fieldwork. Even before the pandemic, most households usually had two or more income sources. For instance, in rural Bangladesh, farming and cattle-rearing are often undertaken by households together as a main earning activity, or as a secondary source of income when the household has some other primary occupation. During the Covid-19 pandemic, as the source of regular income was adversely affected, the respondent households had to find or rely on secondary/alternative sources of income. After the pandemic, given the prolonged economic downturn, engagement in two or more occupations became the usual practice across the study locations. In our rural locations, almost all households were engaged in farming or cow-rearing, along with some other occupations, while in peri-urban

and urban locations, the respondents were simultaneously involved in a range of occupations: as small business owners, rickshaw pullers, van drivers, auto drivers, street vendors, and so forth. One of our field researchers made the following observation about the multiple strategies used by 'new-poor' rural households during the pandemic:

*He engaged in agricultural activities such as cultivating tomatoes, gourds, and ridge gourd, in addition to releasing fish spawns in their enclosure...[H]e also works as a daily labourer and also reared cows. He rented a room in their house to an NGO and the spouse of the household head earns money through sewing.*

(Field researcher 1 describing HH05-HV5, day labourer, rural 1, 14 July 2023)

Sources of income became less stable in the pandemic and post-pandemic period. Some households were moving back and forth between different occupations, but they were not able to find a consistent and stable income source. For instance, one of our rural respondents became unemployed during the pandemic, tried contracting work, then opened a tea stall but discontinued its operations as the earnings from the stall were not sufficient. Another rural respondent had a similar experience. The household head is currently working as a dock worker at the port. Before the pandemic, he was doing the same and decided to migrate during the pandemic. The overseas work did not work out for him; he came back home after a few months and started to work as a part-time dock worker. The earnings from that were unstable and inadequate. At times, he also worked at his father's hatchery to get some extra income. Similarly, in another household (RUR01 HH 04), the household head and his sons were working in the jute mill. Previously, the household head had stable income from agriculture but had to sell his assets during the pandemic. The household head and his younger son's job have been uncertain since then. While the household head is trying to make his living as a jute mill worker, the younger son had shifted from jute mill work to driving auto-rickshaws and again moved back to work at the jute mill.

#### *Putting non-working members to work*

Some households saw members of the household who were not working until the pandemic engage in income-generating activities as a coping strategy. These members included women, retired members, and the youth. Urban female respondents were one such category. During the pandemic, in a few of the urban households, they relied solely on the women members' income, particularly where the household head had lost their job or did not work. For instance, one of our respondents said that

*It was difficult to survive during the pandemic. I used to raise some birds and ducks which we sold during the pandemic. My husband didn't work at all during that time. I was the one who ran the expenses. I stitched the kanthas, even though we didn't get many orders.*  
(HH17-HV1, spouse of the household head, garage mechanic, urban, 12 December 2022)

Women who started work during the pandemic continued even after the pandemic as well to deal with the rise in the cost of living. Women who used to sew or do tailoring work for friends and family started operating commercially. Some women started offering tutorial services while others engaged in working as salespeople for various products. Some also earned money by engaging as paid volunteers for elections, campaigning, or other daily activities.

The young members were also encouraged to take up whatever jobs they could find. While searching for livelihood, they were also depending on their networks of intermediaries and relatives.

### **5.1.3 Accessing social safety net programmes**

The Covid-19 pandemic not only posed significant health challenges but also triggered economic uncertainties, particularly for the new-poor households in the study areas. As discussed in section 2, in response to the multifaceted impact of the pandemic, the Bangladesh government implemented an extended social safety net programme (SSNP) to mitigate the adverse effects of it. Approximately half of the households successfully gained access to the safety net programme under various schemes which included Trading Corporation of Bangladesh (TCB) cards, Vulnerable Women Benefit (VWB) cards, block grants (2,500 BDT through bKash), Vulnerable Group Development Programme (VGD) cards, agricultural cards, and relief from the commissioner's office (provided as a one-off payment).

Furthermore, local elites, including business or factory owners and political leaders, helped vulnerable households during and after the Covid-19 crisis. For households situated in the peri-urban and rural areas, assistance from these actors proved to be crucial for survival, with some households receiving essential food items from them.

In rural and peri-urban areas, Union Parishad members and chairpersons facilitated the distribution of SSNP cards to the respondents. The urban respondents in the Khulna City Corporation (KCC) area acquired their cards through the ward commissioner. A prevalent practice involved household heads or housewives recounting their hardships during the Covid-19 pandemic to public representatives and seeking government aid. The decision of public representatives, including members and chairpersons, to add the respondents to

the list of safety net recipients depended on the specific eligibility criteria such as monthly income, housing structure, family size, and the presence of senior citizens and disabled individuals within the household.

We found that while the eligibility criteria were applied to specific cases, political affiliation can be a major determinant to being included in the SSNP recipient list. Households who are connected to political parties were better known by the representatives and sought help when they needed. Among our sample, more than two-thirds (27 out of 30) of the households reported having some sort of affiliation with political parties. About three-quarters of these politically connected households were aligned to the ruling party, while the rest were supporters of the opposing parties (see Table 5.2). When we tracked the political affiliation of the safety recipients, it appears that 60 per cent of the ruling party supporters could access safety nets, while around 28 per cent of the opposing party supporters received the SSNPs. Among those who had no clear affiliation, about half received SSNPs. The two cases below illustrate the way political affiliation influences access to social safety nets.

One of the rural household heads (RUR1-HH4) who worked as a mill worker has been actively involved with the ruling party since 1992. He participates in all the political meetings that take place in the locality. He could access multiple safety nets during the pandemic. He could avail himself of government cash transfers, TCB cards, and VWB cards when they were distributed by the local government. He was also a recipient of clothes during Eid and warm clothes last winter. Conversely, another household from the same village (RUR1-HH2) did not receive any benefits from government during and after the pandemic. When asked about this, it appeared that these household members were supporters of one of the opposing political parties and are also not in close contact with the political elites of the locality. They did not seek any support directly, even though they needed such assistance, as they presumed that they would not receive it.

Additionally, we also found that a few households offered 'financial incentives' to the representatives directly or through the intermediaries to facilitate the acquisition of a safety net card. For instance, one of the respondents whose primary occupation is to sell peanuts said that they received help during the pandemic from multiple sources and mentioned accessing the old-age card for his mother. He said,

*I shouldn't say much about the process, again it is good to say things at the time... for instance, I had to spend money to get the card. I paid the member for it.*

(HH05-HV1, household head, nut seller, rural 2, 7 December 2022)

**Table 5.2 Political affiliation of the recipient of the safety net card across locations**

	Number of politically affiliated HHs	Recipient of safety nets by locality			
		Urban	Peri-urban	Rural	Total
Political affiliation towards the ruling party	20	5	1	6	12
Political affiliation towards opposition party/ies	7	1	1	-	2
No direct affiliation/didn't reveal any political identity	12	2	2	2	6

Source: Authors' own.

At the urban location, the Community Development Committee (CDC) plays a crucial role in the distribution of safety nets. The CDC is a community organisation that was initiated in 2016 as part of the Urban Partnership for Poverty Reduction Programme (UPPR) of the United Nations Development Programme (UNDP). The CDC collaborated with local politicians and local government officials. The CDC's tasks primarily involve dealing with the provision of financial services for the poor in the communities. We found that CDC leaders generally play a key role in safety net distribution in the selected informal settlement in Khulna City, and their role remained unchanged during the pandemic. CDC members helped by identifying beneficiaries, distributing the cards, and helping the city council to implement various initiatives.

#### 5.1.4 Cost-cutting strategies

During the Covid-19 pandemic, numerous households experienced unemployment and income shocks because of restrictions placed by lockdown measures. In the post-pandemic period, with the cost-of-living crisis, households have resorted to reducing consumption and cutting costs across multiple areas. Most households depleted their savings. We also witnessed distress sales of assets. Individual households cut costs strategically which involved reducing food consumption, foregoing health care, and decreasing education costs. For most households, these strategic cost-reduction practices were driven by factors such as low income, unstable livelihoods, insufficient capital to invest in business, escalated prices, and obligations to repay loans from NGOs and banks. One of our peri-urban respondents who lost his job during the pandemic and is now working primarily as a day labourer made this observation about cost-reduction strategies:

*[I]n all aspects, including food and clothing, previously, we used to have a few guests every week for lunch [in a proud tone], but frankly, today we cooked only lentils. Otherwise, I would have asked you guys to have lunch with us... doesn't matter where we are eating but it matters that you cook good food.*

(HH12-HV4, day labourer, peri-urban, 10 June 2023)

Our respondents cut food consumption by making strategic alterations to their diets, and by removing certain items from their food baskets. For instance, protein intake habits changed to cut costs. Most respondents reported a shift from regular red meat consumption to a more sporadic intake, given the exorbitant prices in the local market and their constrained financial circumstances. In urban and peri-urban locations, the respondents opted to eat seafood, which is cheaper and more available in the locality, instead of fresh-water fish which was costly. Rural households also reported reductions in animal protein consumption, relying more heavily on vegetables and small fish. For instance, one of our rural respondents employed as a primary school head teacher said,

*Financially, we couldn't afford to buy chicken. We were more dependent on vegetables. We cut down on expensive foods such as meat, fish, and eggs. But we could eat small fish available in our ponds. We usually didn't buy fish from market.*

(HH03-HV3, household head, schoolteacher, rural 1, 2 June 2023)

Our study households across urban, peri-urban, and rural areas sought health care from local pharmacies during emergencies. This choice was driven by considerations for cost-effectiveness and accessibility. Additionally, some households explored alternative health-care options such as homeopathy, paramedical practitioners, and faith healers. Notably, a shift was observed among urban households who previously sought care from private medical services, and now opted for care from government hospitals as a cost-effective alternative in the wake of the pandemic. The new-poor households also avoided undergoing any medical tests or in some cases went to government hospitals in order to get the tests done. In that regard, one respondent, who owns a roadside stall where he sells clothes and accessories, had a health condition that required him to take medication for months. As it was not possible for him to continue spending for a long period, he had stopped taking them. He said,

*I was asked to continue medication for three months. Each day, I had to spend 90 BDT on medicines... the condition improved when I was taking medicines regularly but deteriorated since I stopped taking them.*

(HH06-HV3, shop owner, peri-urban, 13 February 2023)

Another household in the peri-urban location described his wife's health condition and said how they cut down on medical expenditures:

*If she continues taking the medicine, it requires 300 BDT per day. No way we can afford that. Nowadays she takes medicine one day a week, or on days when the pain is severe.*

(HH01-HV3 tea stall owner, peri-urban, 13 February 2022)

The new-poor households also grappled with meeting various educational expenses, including payment for textbooks, guidebooks, educational materials, school tuition fees, and tutor salaries. Some households decided to enrol children in government primary schools rather than kindergartens as a means of reducing costs. Additional measures included reducing the reliance on private tutors, refraining from purchasing notebooks and pens, and very rarely withdrawing children from school or sending them to religious educational institutions (*madrassa*) as a more economically feasible alternative (about two households). One of the respondents in the urban location involved in scrap-selling described his dilemma:

*I can't even save up even 2,000 BDT these days. Can't get my daughter admitted to school as it requires 4000–5000 BDT... I got her admitted in a madrassa but couldn't manage to get her into a school [avoided eye-contact during the discussion].*

(HH09-HV1, household head, scrap-seller, urban, 2 December 2022)

### 5.1.5 Voicing demands/complaints

Only a few of the respondents mentioned instances where they voiced their concerns regarding accessing different kinds of services, which primarily include safety net distribution, accessing health facilities, and protesting against decisions that affected their livelihood. It appears that taking up their concerns to a formal or informal public authority is often done at an individual level, except in a few cases when respondents made claims jointly as a part of a community or group.

For instance, urban households 16 and 17 mentioned their efforts to argue with local government representatives to access safety nets for themselves or family members. One of our peri-urban respondents who is a farmer stated,

*The government agriculture field officer came to the village. We went to them and introduced ourselves as farmers. We are five brothers and four of us are involved in agriculture. He said to us since our*

*father is a farmer, we are entitled to get only one Krishi card.<sup>6</sup> We argued with him to access four cards instead.*

(PUR-HH15-HV1, head, small businessman, and farmer, peri-urban, 15 January 2023)

One specific case was mentioned by an urban respondent in relation to her interaction with actors to get a Covid-19 vaccination. She said that the whole family got vaccinated twice, except their son who goes to the *madrassa*. In the *madrassa*, only the first dose of vaccination was provided. She, along with local people, went to the local commissioner and complained about the service. She was assured that the vaccine would be provided but it hasn't been yet. She said,

*I will have to go again. I know they are busy as they have many things to do. We can't go on blaming the councillors or the prime minister always, we need to be aware, we need to make claim.*

(URB-HH03-HV2, spouse of the household head, urban, NGO interlocutor)

As discussed, joining in a protest on behalf of a community was quite unusual. One of our respondents who is a grocery shop owner in the peri-urban location discussed how he had taken part in a protest as a returnee migrant at Dhaka International Airport during the initial phase of the pandemic when the flights to Malaysia were cancelled. Many migrants who were about to migrate were unable to do so. Our respondent was among them, and he joined a hunger strike with many other potential migrants (PUR-HH17-HV2, household head, grocery shop owner, 14 January 2023). Another urban respondent mentioned that her husband who works as a garage mechanic joined a protest amidst the lockdown demanding the opening of the garages (URB-HH17-HV1 spouse of household head, garage mechanic, 5 January 2023).

## 5.2 The role of networks

In all three locations, networks play a key role in the everyday lives of new-poor households. As discussed in section 2, these networks are diverse and can be formal or informal and cover business, social, community, state, and non-state actors. In the context of the pandemic, networks played a crucial role in the coping and recovery of the new poor households included in this study. Table 5.3 shows the presence and usage of various types of networks that households in the study locations used.

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<sup>6</sup> A Krishi card is a card distributed by the Ministry of Agriculture that allows farmers to access loans, fertilisers, seeds, and other ingredients free of charge.

**Table 5.3 Usage of network and actors by location**

Group	Types of networks	Urban (15)	Peri-urban (10)	Rural (14)	Total
Family network	Immediate and extended family	15	9	14	38
Community network	Neighbours	12	3	10	25
	Friends	6	7	6	19
	Neighbours	11	2	9	22
Market network	Business association	5	5	2	12
	Financial cooperatives	5	2	4	11
	Moneylender	5	3	5	13
	Bank	3	7	9	19
	Business dealer (investor)	6	6	6	18
Formal actors (state)	Government departments	5	7	9	21
	UNO	0	1	4	5
Formal actors (local government)	UP members	1	9	13	23
	UP chair	N/A	8	13	21
	Upazila chair	N/A	1	4	5
	Mayor	4		N/A	4
	Upazila Parishad office	0	1	6	7
	Commissioner	15	N/A	N/A	15
	Union Parishad office	N/A	7	9	16
Non-state/ informal actors	NGO	15	9	14	38
	Middleman ( <i>dalal</i> )	9	3	7	19
	Ruling party	12	6	12	30

Source: Authors' own.

Notes: The colour codes are assigned based on the percentage of HHs who use this particular network among the total HHs interviewed in this location. Red is stronger and white is weaker. N/A is for the actor's category not available in this particular location.

Key:

<=20% HHs using this network	21– 40% HHs using this network	41– 60% HHs using this network	61– 80% HHs using this network	81– 100% HHs using this network
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Locational variation in accessing networks is not very pronounced when it comes to family, as almost all the households in the three study locations have mentioned getting help from their immediate and extended family. What is interesting is the utilisation of community networks; while neighbours and elites are reported in both rural and urban communities, these two are barely mentioned by (one-fifth of) the peri-urban households. In the peri-urban location, our observations during field work suggests that houses are distantly located from one another and have fences or walls between them. These households have less interactions with each other compared to rural and urban locations. Also, the jute mill closure that we discussed earlier in this section had an impact on interactions among households. Household heads who worked as jute mill workers used to live in a specific residential area provided by the jute mills, known as jute mill colonies. Many of the peri-urban respondents and their family members were born, grew up, and lived in those colonies until they were evicted during the pandemic after the jute mill closure. Due to this eviction, they were disbursed in different places where they did not have any community networks and found it difficult to seek help.

Villages in Bangladesh, on a different note, are comparatively closer-knit, a feature that we have also observed in the urban informal settlement in Khulna. This particular neighbourhood where we conducted the fieldwork is very tightly knit as the people living there are migrants and have no legal rights over the land, which creates an impetus to develop close ties to fight eviction. During our interviews, we found that they try to strengthen community bonds by promoting intermarriage within the community.

Among formal and informal actors, the lowest tier of local government (i.e. commissioners in urban locations, UP members in rural and peri-urban locations) are one of the most accessed networks in all three locations, along with MFIs. Using political networks was more common in both rural and urban locations compared to the peri-urban area.

**Table 5.4 Purpose of using networks: which actor is accessed for what?**

Groups	Family network	Community network		Market network	Formal actors	Non-state actors	
	Family	Friends and neighbours	Elites	Market actors (bank, investors, <i>mohajon</i> )	Local govt (UP member, UP chairperson and commissioner)	NGO	Intermediaries (middleman, friends/acquaintances of political elites)
Cash and in-kind support	7	N/A	N/A	1	N/A	3	N/A
Loan	16	11	2	6	N/A	26	N/A
Livelihood (employment, supplies in credit)	2	2	1	7	1	1	N/A
SSNP	4	2	3	N/A	16	N/A	5
Health facilities	6	1	N/A	N/A	N/A	N/A	N/A

Source: Authors' own.

Note: Red is stronger and white is weaker/non-existent networks. Colour codes are assigned based on cell values.

Kinship networks were a primary source to cope with livelihood shocks. Immediate and extended family members came forward to help each other. At the same time, households relied on support from their community networks including friends, neighbours, and local elites to secure loans and meet other forms of livelihood support during the pandemic. One peri-urban respondent (PURB-HH03-HV1) described the help he received from friends and community members. He had a friend in the police force who helped the family by providing

the money needed for his daughter's exam, and by supplying groceries from time to time. Another household head talked about getting help from someone from their community to get a concession on educational fees for his eldest son (PUR HH 03 V1). The story below of a migrant worker shows the strength of his community network:

*During the height of the pandemic, Mr Mainul [name has been changed] migrated to Saudi Arabia. Unfortunately, he lacked the correct documentation (e.g, visa, work permit), and the Saudi government decided to send him back to Bangladesh. He was being kept in a Saudi jail until he could arrange the money to pay for the Covid-19 tests, and fees to the intermediaries. Initially, he approached his immediate family members to send the money, but the family alone could not arrange such a big amount in a short notice. Subsequently, they reached out to their friends and obtained the necessary funds.*

(HH01-HV1, wholesale businessman, fish and vegetable, returnee migrant, rural 1, 4 December 2022)

Health was a key area where the new-poor households sought help from familial and community networks. A few of the households used these networks to access health services, admission into hospitals, and pay health bills. One of the respondents, the spouse of a tea stall owner at the peri-urban location highlighted the role family plays when she discussed treatment for her husband's serious orthopaedic condition. She said,

*I told my elder brother that I need to make sure my husband receives treatment by any means. My brother gave me 10,000 BDT in the first round and then he paid another 10,000 BDT in the second round. He also bought all the medicines that were required... every day we needed to spend 830 BDT on medicines. Even he bore the transportation cost from Khulna to Dhaka.*

(HH01-HV3, spouse of household head, supervises the poultry farm, peri-urban, 13 February 2023)

Across all three locations, for households involved in small businesses, being able to access products on credit despite their inability to make regular payments was crucial to earn a living during the pandemic. Borrowing products on credit was also critical for these households to restart their businesses after the economy was back to normal. One of our peri-urban respondents made the following remarks about being able to borrow on credit from the product supplier:

*I purchase from such investors who will never barge their way into my shop asking for payments. Rather, I go and visit him and pay*

*whatever amount I can manage and get the supplies.*

(HH03-HV1, household head, tailor, peri-urban, 10 December 2022 )

Similarly, another small businessman in the peri-urban location mentioned his network with the investor in his poultry business:

*I get the supply (on credit) from x bhai... I won't get that benefit from any other trader; we have a long-standing business relation and that's how we operate.*

(HH01-HV1, household head, tea stall owner and poultry, peri-urban, 10 December 2022)

Many of our households in rural and peri-urban areas who were employed in jute mills or other establishments lost their livelihood during the pandemic. Consequently, they tapped into their existing networks to secure alternative employment opportunities that aligned with their soft skills. Some respondents transitioned from one livelihood to another. For the new-poor households that were starting a new business, securing a fixed location was crucial. In such instances, formal agreements were reached with shop owners to rent the space for a specific duration (typically two to five years). Leveraging their networks, they negotiated upfront payments as a security deposit to lease the shops. Once the businesses were established, essential goods were sourced from local wholesalers on credit, such as poultry and grocery shops.

A subset of households was also engaged in contracting work during the Covid-19 period and used their family and community networks to secure new contracts:

*I am an electrician, and the firm I worked for closed down during Covid-19. I have a child and I have to work. I started work with a friend, who did subcontracting work. I went to work with him.*

(HH011-HV1, grocery business, rural 2, 14 January 2023)

Additionally, the household members sought entry into the job market, leveraging their networks to facilitate easier job placement. Furthermore, certain households utilised the networks of co-workers, friends, and relatives to find daily jobs:

*Oh I work with friends, they come and say, 'I have work, will you work for us?' That is how I get work.*

(HH05-HV4, household head, day labourer, rural 1, 4 June 2023)

*My brother in law's son works in an insurance company. So we gave the relevant papers, and there was an interview. There is a chance he may get it. We are half hopeful... till he gets the work, we are*

*afraid to hope much.*

(HH06-HV4, poultry and street food, rural 1, 2 June 2023)

Using networks to get access to social safety nets is also quite prevalent. For this, households utilise several networks, including local government representatives, intermediaries, elites, and friends and family. About half of our households (n=20) were the recipient of safety nets; among them, about four-fifths accessed safety nets through their connections with local government actors. While some of our households had their personal network with local government representatives, a number of them sought an endorsement from the Union Parishad member and chairman by leveraging their connections with local elites and political leaders, and through the friends and acquaintances of the representatives. One of our respondents who is a vegetable seller mentioned how he used his personal network to grant access to safety nets for others:

*I went to my uncle (who was an UP member) and said 'You know these people are poor. Would you be able to help them? Can you include them in the list?' My uncle was able to include them in the list, and they got the assistance they wanted.*

(HH01-HV2, household head, vegetable seller, rural 1, 5 January 2023)

It was widely acknowledged that without direct contact with the local representatives through 'appropriate' channels, obtaining a card on time would be nearly impossible.

There are notable differences in accessing SSPN cards in the urban location. While in rural locations, networking involves interactions with local government representatives and the political elites directly or via intermediaries, in urban informal settlements in Khulna, the female community workers (CDC workers as discussed earlier in this section) emerged as the key interlocutors in the distribution of safety net cards. These interlocutors did a needs assessment and tried to distribute the cards fairly among the community. They are also the key actors in connecting households to the NGO-led initiatives. Residents in the urban location were aware of the influential role CDC leaders play in accessing both types of aid; that is, block grants for small businesses, housing, water and sanitation facilities, tubewells, and so forth, and formal aid; that is, old-age allowance, widow allowance, disability allowance, and maternity allowance, from ward commissioners. Households specifically request CDC leaders to issue safety net cards when available. If the beneficiary selection criteria align with household profiles, the CDC includes their names in the proposed list. We also found that apart from the community leaders, ruling party leaders also play a crucial role in assisting households in gaining access to SSPN cards.

## 5.3 Some observations about strategies

### 5.3.1 Loans were a key survival strategy during the pandemic

As discussed earlier in this section, the new-poor households sought financial assistance from various sources within their networks, including from family members, relatives, neighbours, friends, NGOs, banks, and moneylenders, both during and after the pandemic. When financial assistance from their immediate networks was unavailable, some households turned to local moneylenders, pawning valuable goods such as gold ornaments as collateral.

MFI, as discussed previously in this section, were the primary source of loans, and in general, they were accessible to everyone. While this finding about MFIs matches the usual narrative of Bangladeshi MFIs being ubiquitous and playing a key role in providing credit/finance, the findings also draw attention to the difficulties that new-poor households face in securing loans for larger amounts, which are necessary for them to start businesses or make an investment. Along with many other factors, MFI loan allocation also depends on the length of relationship with the borrowers, and older members can borrow larger amounts compared to newer members. Some of the households sought loans from banks as well, but qualifying for loans from banks proved difficult as this often requires paperwork and people who can act as a guarantor. Households were also found to be taking out multiple loans and managing repayment by borrowing even more, but they also face the risk of not being able to repay regular instalments and falling into a debt trap.

### 5.3.2 Social safety nets: uneven access and role in intermediaries/political elites

Social safety nets were important as a survival strategy, but the procedure for allocating safety nets was rather arbitrary and access uneven. As the provisions of safety nets were inadequate and coverage was rather limited given the impact of the pandemic, as discussed in section 2.1.3, local government representatives had genuine difficulties in facilitating the distribution. Having said that, interviews with households and interviews with local government representatives suggest that the representatives have used their judgement based on the available information they had on the constituencies and allocated cards accordingly.

Political patronage was a strong determinant which influenced their decision-making on safety net allocation, while they also responded to the recommendations made by their friends/acquaintances and relatives. In earlier sections, we have seen that households who have political allegiance towards the ruling party could access safety nets in all three locations.

### 5.3.3 Networks linked to pre-pandemic economic status

Table 5.5 shows that depending on their pre-pandemic economic status, the networks of the households vary. The 'never-poor' households enjoy support from a wide range of networks compared to the vulnerable non-poor households, as Table 5.5 shows.

It also appears that vulnerable non-poor households have limited access to formal actors, which includes the representatives and officials of the government. On the contrary, the 'never-poor' groups have more access to the formal actors – both elected representatives and the local bureaucrats. Interestingly, in the urban location, vulnerable non-poor households are more connected to local government representatives, especially to the lowest tier. Vulnerable non-poor households also depended more on the support of neighbours and local elites compared to the never-poor group while the latter has more access to the market networks. Accessing NGO actors and ruling party leaders is common for both groups. These observations will be used in section 6 to explore which households were able to recover and which remained stuck.

**Table 5.5 Network variation by household types (pre-pandemic poverty level)**

Types of networks	Subcategory	Never poor (19)	Vulnerable non-poor (20)	Total (39)
Family network	Relatives	16	18	34
Community network	Friends	13	5	18
	Neighbours	6	14	20
	Local elite	9	13	22
Market network	Business dealer	12	6	18
	Business association	6	6	12
	Bank	13	6	19
	Financial cooperatives	4	7	11
	Moneylender	5	8	13
Formal actors (local government)	UP chairperson	15	6	21
	UP member	16	7	23

	Union Parishad office	10	6	16
	Commissioner	2	13	15
	Upazila Chair	4	1	5
	Upazila Parishad	2	5	7
	City Corporation Mayor	N/A	9	9
<b>Formal actors (public administration state)</b>	Departments and ministries	14	7	21
	UNO	4	1	5
<b>Non-state/informal actors</b>	NGO	18	20	38
	Ruling party leader	15	15	30
	Salish member	9	7	16
	Opposition party	8	4	12
	NGO Interlocutors	1	12	13
	Middlemen (Dalal)	9	10	19

Source: Authors' own.

Note: Red is stronger and white is weaker. The colour codes are assigned based on the percentage of HHs using this particular network among the total HHs interviewed in this category. N/A is for the actor's category not available in this particular location.

Key:

<=20% HHs using this network		21– 40% HHs using this network		41– 60% HHs using this network		61– 80% HHs using this network		81– 100% HHs using this network	
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## 6. Constraints to strategies

In section 5, we highlighted how the most common strategies new-poor households used to cope and recover from the multiple shocks primarily induced by the pandemic were to borrow money, reduce household consumption, hold multiple jobs, and access social protection. These strategies brought with them a set of constraints, from which some households started to recover while others did not. We notice that – not ignoring the fact that using loans as a key strategy to recover was the reason why many households fell into a debt trap – many constraints of the strategies new-poor households adopted went beyond not having money to recover and wealth depletion. Repeatedly they were related to not being able to access the right networks, not having the right documentation and connections, notions of honour and shame, patriarchal structures, low expectations, and distrust of (local) government, as well as Covid-19's health impact. In this section, we categorise the different types of constraints that affected the different strategies taken by new-poor households under five main types; namely, financial constraints, lack of assistance, social norms, government-related, and health-induced constraints.

We notice that while each strategy came with a set of constraints, many were interconnected. For instance, borrowing money and accessing loans led to many new-poor households getting trapped into debt as well as depleting assets to repay those loans. Reducing food consumption and foregoing health care as well as taking multiple jobs was constrained by the further deterioration of health as well as perceptions of status, honour, and shame. Accessing social protection was heavily constrained by not having the right networks, lack of documentation, or at times for not being poor enough. And finally, voicing their demands for assistance and services was constrained by their distrust and low expectations of the government.

Once we delve deeper into these constraints, we notice that the overwhelming majority are embedded in local and national power relations; there is a political economy to these constraints that make them governance constraints. For instance, as we showed in section 5, new-poor households used familial and other networks – often the key mechanism through which the needs of these households were met – to access support and resources. Most depended on the strength, density, and size of those networks to access not only resources and capital, but also government assistance. Another example is that of health-related constraints; as we peel off the technical veneer of health issues being more than ill-health, we uncover a list of governance constraints, from bad public health provision (particularly in rural areas) to the need of intermediaries and bribes to access public hospitals, to lacking the necessary documentation.

**Table 6.1 Percentage of households reporting different constraints**

Constraints	Total	Location			Pre-Covid-19 status	
		Urban	Peri-urban	Rural	Never poor	Vulnerable non-poor
<b>Financial</b>						
Debt trap	80	100	60	71	53	80
Lack of capital	67	67	30	93	84	85
<b>Assistance</b>						
Lack of networks	77	80	90	64	74	80
Not poor enough	46	47	40	50	42	50
<b>Social norms</b>						
Honour and shame	82	87	70	86	84	80
Patriarchy	44	73	20	29	32	55
<b>Government</b>						
Distrust	77	73	80	79	90	65
Lack of expectations	69	67	70	71	79	60
Perception of corruption	59	60	80	42	58	60
<b>Health</b>						
Health hazards	41	47	30	43	26	55

Source: Authors' own.

## 6.1 Financial constraints

### 6.1.1 Debt traps

The most common financial constraint households faced across all locations was that of debt traps. To identify debt traps, we use Osmani's (2017) conceptualisation based on cyclicity, repetition, and 'borrowing to repay'. All but two households had debts, with half owing to one source and the other half to more than one source, mostly to either banks, NGOs, moneylenders, or *mohajons* and a small minority owing to only friends, neighbours, or relatives. As we unpack per location, we notice that all urban households reported being stuck

in debt, as did the overwhelming majority of the vulnerable non-poor. We also noticed that occupation played a role in debt traps. A section of households that were involved in small businesses suffered from losses in business during the pandemic and often became trapped in debts with *mohajons* and NGOs. These households are currently experiencing a lack of capital and some of them have switched to physical labour work due to this. Their present financial status does not generate enough income to repay the old loans and as a coping strategy they are dependent on borrowing to repay along with multiple borrowing.

A large number of the households that suffered from losses during the pandemic and fell into a debt trap were involved in the poultry business. One such household suffered from losses because her chickens died during the pandemic. Even before the pandemic she was struggling. She was involved in a court case that caused a lot of financial strains, and had mortgaged assets, but she was able to run her business. When the Covid-19 pandemic hit, she suffered from loss in her business and lack of capital, and as a result, she started taking loans from different NGOs. Eventually she could not run the business, had to start working in the mill, and was not able to pay the current NGO loans or the previous ones.

Households that were not involved in the poultry business also faced a similar situation. One household from the peri-urban area suffered losses in his clothing business. Due to multiple livelihood shocks, he took out multiple loans from *mohajons* and was unable to repay. He took out more loans to migrate using his family's network, and is now struggling to repay.

In our study, we observed broadly three types of behaviour of households that are caught in a debt trap. They were: (i) borrowing from multiple sources repeatedly to repay; (ii) households that had taken a large one-off loan; (iii) using loans for consumption instead of investment; and in the first case, borrowers use at least a proportion of the loan to repay another debt. Most of the households in our study took loans from multiple sources – including NGOs, moneylenders, and friends – and sometimes used them to repay other loans. Those who took loans from multiple sources repeatedly were not able to pay them back no matter how much they tried. Second, there were cases where households engaged in taking one-off loans from other sources to repay the old ones but were still stuck in a debt trap. This particular group of households took comparatively big loans from commercial banks or *mohajons*, and they are unable to repay them in their present circumstances.

Finally in the last case, we did not consider the amount of loans that remained unpaid, but rather the nature of the loans. If the loans were used for investment and households were able to pay that loan, we did not identify it as a debt trap, even if they were overlapping loans that helped with repayment. When loans that were supposed to be used for investment were instead used for consumption,

and resulted in the lack of capital, and the households could not repay the old loans, the households remained trapped in a debt cycle.

Debt traps were closely interconnected with depletion of capital. Most of the households were small business owners who usually take products on credit from their *mohajon* and pay them after selling the product. This is the traditional pattern of their business. As described in section 5, during the pandemic, they could not invest that money in their businesses nor could they return the money back to the *mohajon*, as they needed it for consumption. They had to use the *mohajon* credit lines as well as some of the capital that they had saved; they again had to take extra loans from the *mohajon*, without paying the previous ones. This created a backlog of loans and that had them trapped in a debt cycle. Although most are trying to pay the previous loans, having low sales due to overall economic downfall, they are unable to do so.

A respondent from the urban location, a scrap merchant, is a case in point. He usually borrows from his *mohajon*, buys scrap products, and sells both to his *mohajon* and other places. During the pandemic, he could not buy scrap products and had to spend that money on household expenditures. Eventually, it created a backlog for him of being around 75,000 BDT in debt. Since he is trapped in a debt cycle with his *mohajon*, he must now sell all the scrap at a lower price to the same *mohajon* and cannot sell products outside. Therefore, he now has less profits as he cannot sell products at a fair price and is unable to return the loans to the *mohajon*. Even before Covid-19, he had debts to the *mohajon* but not a big amount. His household had already taken loans from NGOs, which is why they cannot secure more loans:

*Suppose if I have a profit of 500 BDT, my mohajon takes almost half of it. Now I have become somewhat a slave of him. Although I work for him, I have become like a slave. If I try to sell products outside, he might complain to the shomaj/shalish or other concerning authorities who will tell me to pay off the debts because I am indebted to him. But I don't have the ability to return that money.*

(HH09-HV1, household head, scrap merchant, urban,  
2 December 2022)

The overwhelming majority of our respondents, like many other lower-middle-class Bangladeshis, take loans from different NGOs, since they are easy to access. After Covid-19, they started taking loans from multiple places at higher rates (including from NGOs, banks, and moneylenders) and started taking loans from one lender to repay the other. On top of that, due to lack of capital, they did not have enough profits to pay off the loans. One such respondent from the rural location, who ran a poultry business, mentioned that the lack of capital and debt trap did not allow her to run her poultry business properly, and she had to start

working in a jute mill. She pays loans from one NGO by taking loans from other NGOs:

*Jagoron Samiti is supposed to get 10,000 BDT from me. I have taken 20,000 BDT from Grameen Bank to pay it to another person. Now that person is supposed to get 10,000 BDT from me, and I am paying one of his loans as a compensation.*  
(HH05-HV2, household head, day labourer, rural 1, 15 January 2023)

### 6.1.2 Lack of capital

Unsurprisingly, the other most-mentioned financial constraint to their recovery plans was related to a lack of capital. Although lack of capital impacted most urban households, it had a much larger impact on rural households, affecting almost all of them. Besides location, as we mentioned above, the impact of Covid-related lockdowns was different depending on the type of professions held by household heads before the pandemic. In our sample, about 65 per cent of households were involved in small businesses such as grocery shops, tea stalls, the scrap business, jewellery selling, making bedding, and the poultry business among others. The remaining 35 per cent were involved in daily work as day labourers, mechanics, rickshaw pullers, international migrant workers, and so on.

While the latter's livelihoods were mostly dependent on their human capital, the former were more dependent on financial capital. Therefore, the lack of capital was more prevalent among small business owners who had to use their capital to cover daily expenses during the pandemic and did not have money left to invest in their businesses. Some had to shut down their business and change livelihood. Many became indebted to their *mohajons* for loans to invest in their businesses, often trapped in a patron–client relationship. Besides *mohajons*, they took loans from different NGOs, and had to mortgage and even sell assets to cope with the situation. Having fallen into a debt trap, some of the households are still suffering, having to pay a good amount of money in weekly instalments and therefore not being able to improve their condition. Many households also reduced consumption patterns, particularly health-related needs, as detailed in section 5.

Both business owners and labourers suffered from losses during the pandemic and until this date have not managed to come out of their financial crisis, irrespective of their profession. Besides the financial burden during the pandemic, the closure of jute mills resulted in an overall economic downfall along with price rises that have been a contributing factor in the financial crisis. Many had to change their occupations, shifting towards much lower-income-earning activities. A former jute mill worker from the peri-urban location, the area whose main economy was centred around jute mills, described the effect of the

pandemic as 'slow poisoning' and compared with it HIV/AIDS. A total of 25 state-owned jute mills closed during the pandemic. The jute mill workers were not the only ones who suffered; the whole economy of the region was affected by the closure, with local businesses also suffering.

A respondent from the urban area described a situation where, due to the closure of the jute mills, rickshaw pullers were not getting enough customers: most of them have either left the city or become rickshaw pullers themselves. On top of that, the recent price hikes also made them more vulnerable. One such respondent stated:

*I was good before Covid. I used to get 300–400 BDT every day and sometimes even 500 BDT. Since Covid, I am stuck in a situation from where I can't get out. Now I don't even have the ability to buy 5,000 BDT worth of rice. Now I eat based on whatever I can earn each day. The price of rice is so high that I have to buy 1kg rice for 60 BDT.*

(HH15-HV1, household head, rickshaw puller, urban, 12 December 2022)

As stated earlier, most of our respondents who were involved in small businesses usually buy produce on credit, sell it, and repay their investors. As they had used up their capital for household expenditures during the pandemic, they could not invest and eventually the businesses failed. Some respondents had to shut down their businesses even after the end of the lockdowns and return of customers. The following cases illustrate these points.

One respondent from the peri-urban location explained how he moved to a low-income activity as a street-seller because he had used up his capital for consumption and to tackle multiple shocks induced by the pandemic and was struggling with his business and could not repay loans:

*Business condition is really bad. The situation is degrading day by day and I did not even have goods in my shop. If earlier there were 100 pieces of lungi, now it is 40 pieces. There were three bundles of towels, now there is only one bundle. If a shop does not have complete goods and if I can't give what the customer is asking for, I feel really bad. I have suffered from losses in such a way that I used to sell clothes in shops now I have come to a footpath, and I can't even run the business in footpaths.*

(HH10-HV2, household head, clothing businessman and migrant worker, peri-urban, 12 January 2023)

Another respondent from the rural location described the struggle that ensued from a lack of capital. He suffered from losses in his printing business during the

pandemic. He had to close his business and was unemployed for several months, looking for jobs. Without finding any other way, he started a tea stall, but he was not able to expand his business due to lack of capital. He used all his previous business money for consumption over the years. In desperate need of loans, he cannot find any guarantor because he lacks good networks:

*I don't have capital to run the business and I am unable to find a job, even though I am trying hard for it. Now I had to maintain the family with these small earnings, but it is almost like not maintaining this family. I don't think I will even have the ability to get up from this situation. There [in Chittagong] I could start the business because I was able to understand the demand of such shop there. Here, if I want to start business it will cost at least 4–5 lac BDT... to be honest I am trying for loans for this tea stall. I even had a conversation with the regarding authority. They came to look for this shop but said that this shop won't get loans.*

(HH09-HV04, household head, tea stall business, rural 2, 4 June 2023)

A respondent from the peri-urban location, an international returnee migrant, started a small grocery shop but also suffers from lack of capital. He invested some of his earnings from abroad into the business but had to use the rest for consumption:

*Even if I had to start the business, I need to advance at least 2–4 lac BDT. If it requires 3 lac advance, then 3 lac worth of goods are also required. Now who will give me 5–6 lac BDT?*

(HH17-HV2, household head, grocery shop owner, peri-urban, 6 June 2023)

## 6.2 Lack of assistance

Another set of constraints affecting the households' recovery strategies was lack of assistance. By assistance, we mean accessing different types of social protection provided by government during and after the Covid-19 pandemic, as well as support from non-state actors, and other forms of help provided by relatives and friends. Sometimes, even if they tried to access social safety nets, they were classified as 'not poor enough' by the concerning authorities and intermediaries. One respondent from the rural location explained her situation where she was labelled by the authorities as 'not poor enough' because her husband lives abroad and people think they are rich. Another respondent from the same location mentioned that she was ineligible because they owned a one-storey *pucca* house. Both husband and wife were farmers and spent all their

savings to build the house just before the pandemic. She did not get any relief during and even after the pandemic.

*I didn't get any VGD card because I have this house. Even, I didn't get anything during Covid because I have this house. Other people get it, but I didn't get it because I have this house.*

(RUR1-HH07-HV1, household head wife, farmer, rural 1,  
5 December 2022)

### 6.2.1 Lack of networks

Tightly connected to accessing government social protection was the lack of networks with intermediaries who play a key role in the distribution of the social safety net cards. As discussed in section 4, these intermediaries are often local representatives and political leaders. One of the respondents from the peri-urban location explained that it was difficult for him to access social safety nets because he was not from that location even though he was born there and voted in this region. He was a jute mill worker who never had to access any social safety net cards before, but when he became unemployed, he discovered that he did not have any personal connections with any of the local intermediaries, and therefore did not have appropriate networks to access these social safety nets.

*I know them [intermediaries] a little bit. They know us and we know them. But we are outsiders. Though we are voters of this region, the member and chairman doesn't acknowledge us that we belong here. They do not allow us that much. VGD cards were distributed few days ago, but I didn't get it even after trying for multiple times. Even people who have rice in their house, got VGD cards!*

(HH12-HV2, household head, day labourer, peri-urban,  
14 January 2023)

Another respondent, a returnee migrant, narrated a similar situation where he did not have the right networks because he did not live in the location for a long time.

*I haven't lived in my hometown for long time. People of my home district know me, but there is no one who will ask about if I am hungry. Although I am voter of this region, they [member and chairman] do not know me well because I haven't lived here.*

(HH9-HV1, household head, tea stall business, rural 2,  
11 December 2022)

Sometimes it was also difficult for people to access or create networks due to lack of time. They could not socialise with the local members and chairman, a key way to get to know them.

As discussed in section 4, political allegiances were a crucial factor in accessing social protection. Being connected to parties other than the ruling party was often given as a reason for not being able to access social protection. As these are distributed through local representatives, supporters of other parties often do not have good relationships with these local representatives, which hampers their chances of accessing social protection despite being eligible. A respondent from the rural location described a situation where they voted for a particular local representative candidate who did not get elected, and the newly elected candidate did not pay attention to them because they had not voted for him. One respondent from the peri-urban location, who is a supporter of Jamaat E Islam, a party in opposition, believes that he will never get anything because of his political allegiance:

*No, they didn't give me anything. We need to buy TCB goods but still they didn't give me TCB cards. I don't know why they didn't give it to me. I support Jamaat, hang around with Jamaat candidates. Maybe that's why.*

(HH06-HV03, household head, shoe and ornament business, peri-urban, 13 February 2023)

Respondents also accused some local representatives of corruption, favouritism, and nepotism. Many believed that the national government had taken steps for the distribution of social protection, but they did not get it because they were excluded by the local representatives. One of the respondents from the urban area said,

*Those who get these social protection tries to make sure they address their needs first. After that, if there is anything left, they give it to the person who is always beside him – their people, their relatives. Then they may give to the common people if there is anything left. If I become vocal about these issues, then I will become a bad person. I have three sons and I don't do politics. That's why it is better to remain silent. Actually, they are of no use to us.*

(HH04-HV1, household head, bedding business, urban, 8 December 2022)

Most of the respondents expressed such views about the local leaders and representatives, alluding that political party association played an important part in this. Another respondent detailed how people who receive assistance engage in corruption:

*Sometimes the local leaders give some slips to poor people who don't have TCB cards. What they do is, if they get five slips from commissioner, they distribute one and keep four for themselves and sell those TCB items. They sell lentil for 80 BDT and sugar for 100 BDT.*

(URB-HH09-HV2, household head scrap hawker, urban, 13 January 2023)

Respondents believed having good, personal relationships with the local representatives was a necessary condition for accessing social protection cards. Not having them, regardless of the reason, affects their chances of accessing them.

Apart from government social protection, several respondents also received assistance and support from their family members, friends, and neighbours. A respondent from the urban location described how her brother was in the fisheries business and had better financial conditions, and her reliance on her brother for help. She also pointed out that due to pandemic-induced economic shocks, her brother is unable to help her now:

*My brother used to give Qurbani since my elder son is four years old. But my brother faced some problem due to corona because Chitrali bazaar got destroyed. My brother is suffering a lot.*

(HH17-HV5, household head wife, handicraft work, urban, 17 July 2023)

Sometimes the respondents themselves were the most financially well-off people in their family. They did not have anyone to rely on; rather, their relatives were asking them for help. During the pandemic when their situation became worse, they had no relatives or social support who could help them. In these instances, it became difficult for these households to access any kind of loans due to lack of family networks. One respondent from the rural location is experiencing such a situation. He started a tea stall business but suffers from lack of capital. He needs a business loan to start his business, but he does not have any guarantor:

*Who will give reference for me? No businessman would do that for me. They won't give me the chance at the beginning. People give loan to new businessman, but they need a good guarantor. They won't give without a guarantor. I have tried for it, but people are not interested to give it to me. I have approached a person and he said he has loans and that's why he can't be a guarantor. My father won't even do anything for me. He has two families.*

(HH09-HV04 and HH09-HV05, household head, tea stall business, rural 2, 4 June 2023 and 17 July 2023)

## 6.3 Social norms

The section above identified several reasons for not being able to access government social protection schemes. This included ineligibility defined by concerning authorities (not being identified as 'poor' due to their pre-pandemic status), lack of networks and of political connections, or corruption. Previous bad experiences associated with asking for social protection also made households hesitant to ask for assistance. One respondent, a small grocery shop owner, reported such an incident:

*We had a small grocery shop, still didn't get anything. We didn't get any ration card, TCB card and blanket slip. I was so hurt by someone after I asked for it that can't even describe this in words. After that, I didn't go to anyone. There were days when I had to survive just by drinking water but still, I didn't approach anyone. I was so hurt that even if I died, it would have been better. I was so hurt.*

(HH05-HV4, household head wife, homemaker, urban, 7 June 2023)

This quote illustrates other influential factors that influenced the behaviour of the new poor households across locations in their efforts to not lose their honour and be ashamed. Notions of shame and honour stopped many new-poor households from asking for assistance from the state, relatives, and friends. These notions of honour and shame were connected to their middle-class status associated with their pre-Covid economic position, and this status often stopped them asking for any kind of social protection.

### 6.3.1 Honour and shame

Constraints associated with honour and shame were mostly visible for households who were never poor before the pandemic, compared to vulnerable non-poor households. One such respondent from the rural location described a situation where he was reluctant to accept government help from the Union Parishad office because he wished to preserve his father's legacy as a previous chairman. He thought that not only the Union Parishad would not be able to help him much, but also it would be shameful for him to access help as it would damage his father's image. He explained,

*Are they going to help me? Probably they would give me 30kg rice per month. They can't give more than that and I can't expect more than that. I know, if I expect something from that, they would probably put me down for a government social protection, in a form or give me rice... My father's standing would be diminished by that. I don't want to do anything that would harm my father's respect.*

(HH1-HV05, household head, pigeon business, rural 1, 10 July 2023)

Another respondent from the peri-urban location explained that he would not access any government help because he was ashamed of being helpless and poor:

*Those who can't ask for anything, don't get to eat anything. Now I can't ask for anything saying please I am in a trouble help me. I can't say that and that's why there is so much problem.*

(HH10-HV1, household head, clothing business and migrant worker, peri-urban, 8 December 2022)

A respondent from the rural location told us that he saw TCB rice being distributed on the roads. He could have got it but did not because he is well known in that area. He was concerned about his family's image in his locality and did not want to spoil it. Another household in the same location tried to access rations discreetly. The household head asked his wife to access rations but to wear a *burkha* (veil) so that people would not recognise her.

Notions of honour and shame also stopped many households from asking for any kind of help from their relatives. Their pre-pandemic status often stopped them from revealing their new condition to their relatives. Even if they had well-off relatives, it was difficult for these households to ask for help. One of the respondents from the urban location highlighted this dilemma:

*Who am I supposed to ask? I don't want to dishonour myself by asking. That's why middle-class people die at home. Neither I have the education to get a job, nor can I work in someone else's house. Middle-class people have suffered a lot during corona. Those who can ask (the poor), didn't have that much problem.*

(HH03-HV05, household head wife, parlour and social work, urban, 11 July 2023)

Another respondent from the peri-urban location, an international returnee migrant, was reluctant to ask for any kind of help from his relatives despite their better financial condition.

*My relatives are very well off, but I don't go to them. I am a different type of person from my childhood. I won't beg for 500 BDT from you. I will work hard, work as a farmer, but still I won't go to you. You people are watching, the relatives are also watching. I am not such kind of person who would ask for 500 BDT for even though I can't eat. I am like this from my childhood.*

(HH17-HV02, household head, grocery shop owner, peri-urban, 6 June 2023)

In a similar vein, their relatives and neighbours did not see these households as in need of assistance. One respondent from the urban location offered the following explanation:

*Those who are beggars or really poor, they can ask for help from different people but middle-class people like us couldn't do that. Neither we could ask for help from people nor they helped us. One of the reasons is that people have seen us in solvent financial condition. They knew that we can eat properly and maintain ourselves and we were actually doing okay before Covid. That's why people didn't help us, and we couldn't ask from them as well. They won't believe that we are going through such financial crisis because they have seen us in better financial condition before Covid.*

(HH09-HV1, household head, scrap hawker, urban,  
12 December 2023)

### 6.3.2 Patriarchy: control over mobility and outside engagement

Digging deeper into notions of honour, we found that there are other factors that were constraining their use of strategies to recover, particularly amongst urban households and vulnerable non-poor households. We observed that many women respondents were restricted by patriarchal gender and sexual norms that restricted their mobility and engagement in market activities. Women were involved in income-earning activities only when they could work from home though the households were experiencing financial hardship and were trapped in a debt cycle. Their husbands were unwilling to let the women work outside the home because that would bring shame on the family.

For example, one of the respondents from the urban location sewed and embroidered to earn extra income, and this was permitted by the husband as it did not require her to be mobile. After the pandemic hit and their household's economic condition deteriorated, she wanted to work in a factory inside the informal settlement. But her husband did not permit her even though the pay she received from sewing was much less compared to factory work. She said,

*My husband doesn't want to let me work in the factory. He says do whatever you can but stay at home. There is a factory called X's factory and I want to work there. But my husband wouldn't let me do there. They have night shifts, starting from 10.00pm to 8.00am. My husband told me to do the works for the factory (supply products) at home. If I do all these works at home, they will give me 50 BDT. If I go to the factory, they will give me at least 300 BDT for sure. It's the same work! Why would I do the same labour for 50 BDT? Even though we need money, I think my husband's decision to stop me*

*from working night shifts is right. I am the daughter-in-law of this place, not the daughter. Other people will notice it and talk. If it was daytime, no one would have said anything but since it is night shift people will gossip about it.*

(HH17-HV4, household head wife, homemaker and handicraft work, urban, 17 July 2023)

In another indebted household from the same urban location, the household head refused to let his wife go abroad or work outside home even though the wife wants it:

*I wanted to go to Dhaka. But my husband wouldn't let me go. I even tried to go abroad – twice. I took loans from people... If I say anything to my husband, he says 'If you can do something from home, then do it. But I would not allow going abroad or Dhaka. If I can earn 5 BDT, we will share it and manage the household with that 5 BDT. But you can't even think about going abroad.'*

(HH09-HV3, household head wife, home maker, urban, 10 February 2023)

Some of the women were unable to engage in income-earning activities due to the burden of unpaid care work. Before the pandemic, if the women's family size was small, they had a lower burden of household chores, childcare, and other work. But things changed after the pandemic. For example, one of the respondents from the urban location used to have a small grocery shop, but she had to close the shop as the household lacked capital. She was previously involved in tailoring work. But now she has a four-year-old, whom she has to take care of, and cannot sew clothes. She even thought about going abroad but her husband does not want it. She made the following observation:

*Now I can't do due to lack of capital and my daughter. Sometimes I do some tailoring work, sew three-pieces (Kameez suit), and if I can, sew two or three pieces I can get 250 BDT. I had to work at night because I can't work at daytime as I have childcare.*

(HH10-HV03, household head wife, homemaker and tailoring, urban, 19 February 2023)

One respondent from the rural location discussed the lack of income-earning options for women in rural areas. She is a farmer herself and works with her husband but does not get to work all year round. While her husband goes to the jute mill the rest of the year, she cannot work there.

*There isn't enough sources of income for women. There is only other option available of working at a jute mill in the Upazila [is not open*

for women]. *Is it even possible for a woman to work at a jute mill?*  
(HH07-HV3, household head wife, farmer, rural 1, 11 February 2023)

Gender norms not only stop husbands letting wives work outside the home, but also inhibit the women that do work outside. In the urban informal settlement, we found only one household where a woman was a scrap merchant, the only woman scrap merchant inside the whole settlement. She discussed the kinds of discrimination she experienced because she was a woman. The other hawkers cheated her various ways – she was offered lower prices compared to the men. There are monthly meetings of the scrap merchants' association, but as she is a woman she could not attend these, and her eldest son-in-law had attended on her behalf.

## 6.4 Governance-related constraints

Of the several strategies new-poor households took to recover from the pandemic, the one that was most surprising was voicing their demands to government officers. A relatively low number, about 40 per cent of all households had used this strategy, and most did not do so collectively. As discussed in section 5, only a few households mentioned instances where they voiced concerns to public authorities regarding access to social protection or public services. More importantly, they did so as individuals and rarely as a group, a community. This raises the question: what prevents these households from raising their voices?

### 6.4.1 Lack of expectations connected to low trust in the state

During the pandemic, local representatives distributed government-sanctioned social protection. Many of our new-poor respondents held the view that they could not access it because the local representatives did not distribute them fairly. A rural household head shared his experience on how the potential beneficiaries were selected.

*We have been mostly affected by the pandemic. I have tried many things many times. X member asked for names of people, and I gave as list... personally. Some people got 2,500 BDT but we didn't get anything. Everything starts and stops with listing of names and that's it. Nobody asked about us, not even the member.*  
(HH06-HV5, household head, grocery shop owner, rural 2, 11 June 2023)

Most of our respondents faced a similar situation, which heavily affected their trust in and expectations from local government. During the pandemic, it was a well-known fact that the government was distributing social protection. When

many of the new-poor population did not get access to this assistance, it reinforced their belief that the central government was sending assistance, but the local representatives were not distributing it correctly. A respondent from the peri-urban area made the following remarks:

*If the chairman member gets 500 BDT, then they would give 200 BDT to people and 300 BDT would go into their pocket. If they get 100 sacks of rice, they would give 20 sacks to people. Normal people won't get it. If they were supposed to give 10kg rice, you will see that it's actually 7kg. They give it from the Union Council, but people don't get the accurate weight.*

(HH17-HV4, household head, grocery shop, peri-urban, 21 August 2023)

Many other households felt that the government was aware of the situation but chose to do nothing about it. A respondent from the urban area expressed this distrust and lack of expectation towards both government and local government:

*I don't think the government wants to help us nor the local representatives. Rather they take out our fair share. Suppose one core came for our colony. Huge amount of money came for us during Covid-19, but they kept it for themselves. Government can help us if they want to, but they won't do that.*

(HH15-HV5, household head, rickshaw puller, urban, 16 July 2023)

Another respondent from the rural area highlighted the role of networks, political affiliation, and favouritism in accessing government assistance:

*I don't expect anything from the local government because whatever they get, they keep it for themselves. They only give something to the people who work for them and whom they know. They would give things to them who worked for them during the election. They won't give something to people, to us.*

(HH05-HV6, household head, nut seller, rural 2, 20 August 2023)

Since many respondents did not get the help they expected from the local representatives during the pandemic, they feel that these local representatives have no interest in getting them out of their new poor status:

*The government would give that [help]. But if I am supposed to get it through you and if you don't give it to me, can I get it? The medium (intermediary) is member and chairman. We would get something through them and what can we do if we don't get it from them?*

(HH9-HV4, household head wife, tea stall business, rural 1, 26 August 2023)

Most respondents relied on loans as a strategy for both their survival as well as recovery. While they expressed an expectation regarding accessing low-interest loans from government, at the same time, they did not believe it to be easy and therefore did not even try to apply. As a respondent from the urban area said,

*Government gives loans, but they won't give it to poor people like us. Those who work in banks, they get loans in crores in low-interest rates to build their houses. But they won't give it to us.*  
(HH15-HV5, household head, rickshaw puller, urban, 16 July 2023)

Another respondent from the peri-urban area also relying on loans to expand his business and get out of his new poor state, never tried to apply any kind of government loans because he believes he would not get it.

*I won't get it! I have such kind of perception... I won't get it because I have nothing. When you have 5 BDT, people will give you 10 BDT but if you don't have 5 BDT, no one will give you 2 BDT.*  
(HH13-HV05, household head, grocery shop owner, 15 July 2023)

Households have a perception that 'people like them' – aka lower-middle-class – cannot get anything from the government even if they ask, as they have to navigate a lot of administrative difficulties to access government loans. On the other hand, accessing loans from NGOs is an easier process, which is why they had to rely on them, even if the loans have higher interest rates.

#### 6.4.2 Accessing documentation

Much of the government-related constraints involved difficulties in getting official documentation such as birth certificates and national identification (NID) cards. This, in turn, plays a huge role, not only for accessing social protection but also for those who plan to migrate abroad, and even those trying to get formal loans. One respondent from the peri-urban location described the difficulties in digitalising NIDs and difficulties in correcting any related documents:

*I got my NID card a long time ago, but we don't have the digital one. I have some wrong information or errors, but I didn't correct it. There are lot of difficulties if you want to correct them. They ask for birth certificate but when you go to correct the error on the birth certificate, they tell you to fix the error on the NID, and when you go to correct your NID they tell you provide them with an error-free birth certificate. That's why I didn't correct it.*  
(HH07-HV03, household head, restaurant business, peri-urban, 18 February 2023)

He was not the only one: most households have errors or problems regarding their birth certificate or NIDs, but none of them were interested in correcting the information unless it was absolutely required. A peri-urban respondent described a similar situation where his age was wrongly entered on his NID card, but he preferred not to correct it because it would require a lot of time and travel to different offices. Sometimes the fees for digitalising these documents are also high for these new-poor households. One such household from the urban location was finding it hard to pay the online fees for digitalisation and consequently their daughter was not admitted in school:

*I still couldn't enrol my daughter to school. I need to apply for a birth certificate [online] and it will require 800–900 BDT. No school is admitting children without the online version.*

(HH09-HV2, household head, scrap hawker, urban, 13 January 2023)

Another feature of accessing the right documentation is the role intermediaries play in getting it for the households. With respect to international migration, *dalals* play an important role. Some of the households we followed have family members who are international migrants, others have international returnee migrants who need to go abroad again to help the family recover financially from the impact of the pandemic, with others already gone abroad to cope with their new-poor situation. Regardless of their specific circumstances, all returnees or potential migrants needed brokers to go abroad. We did not find a single household whose family members went abroad without accessing brokers. Besides getting help to arrange the visa to go abroad, brokers also help households in getting passports. The urban household head who sent his wife to work in Jordan in a garments factory not only got the visa through a broker but also obtained her passport through them:

*We have someone we know. He submits all the documents required for passports. Now I have seen that they will call you whenever you submit the documents. We didn't understand it back then [that passports were an extra cost]. It has costed 2,000 BDT extra. [My wife] doesn't require any money to go abroad, rather they [foreign country agency] give us money, but the broker takes money from us. Whenever they go for training to go abroad, the brokers teach them not to mention anything about brokers, rather tell everyone in that country that they didn't have to give any money to go there. So whenever international migrants face any question regarding this, they say that it didn't cost any money to come abroad.*

(HH15-HV4, household head, rickshaw puller, urban, 9 June 2023)

## 6.5 Health-related constraints

Most respondents' living standards fell during and after the pandemic, leaving them with many challenges to maintain their basic needs. As discussed in section 5, the overwhelming majority minimised their expenditures by reducing food consumption, as well as cutting costs on health and education. The reduction in food and health-care costs, together with changes in work habits (more jobs, shifting professions) took a toll on their health. At times, they were not taking the treatment for ailments which they would have taken before the pandemic.

A respondent from the rural location explained her situation, where her mother-in-law's health expenses were around 1,600–1,700 BDT per week. Her husband got sick after the pandemic as well and could not continue his job. Before the pandemic they would have been able to buy her mother-in-law medicine; they now give her medicine only when she is extremely ill. We observed a similar pattern in other cases where respondents or their family members had to compromise on their health needs. Some of our households were suffering from health-related problems before the pandemic, but several others became ill during and after the pandemic. They had to spend a significant amount of money that is often arranged through loans and/or using their savings. One of the respondents from the peri-urban location described a situation where a regular expenditure of 5,000–6,000 BDT worth of medicines for the household head's wife created a financial stress in the household, and the household borrowed money repeatedly and fell into a debt trap:

*It takes around 5,000–6,000 BDT worth of medicine every month. I need to arrange money from here and there. If something happens, my daughters would say that I didn't treat their mother. Whatever my younger daughter contributes to the family is spent in her mother's treatment.*

(HH03-HV3, household head, tailoring, peri-urban, 19 February 2023)

*It costs around 1,500 BDT for the test, and each injection costs around 210 BDT, and my wife had to take two injections daily. She had to take saline and doctors gave prescription of medicines before leaving the hospital. I had to take loans and now I had to repay those by working.*

(HH12-HV5, household head, day labourer, peri-urban, 16 July 2023)

Another respondent from the rural location explained a similar type of situation, where his wife has been a cancer patient since 2018 and he suffers from breathing problems. This makes it hard for him to work. It costs around 100 BDT worth of medicine every day and after every three months he needs to do a test

which costs around 6,000-7,000 BDT, and sometimes it takes more if they had to come to Dhaka for the tests. During the pandemic, he had to sell his assets for treatment purposes. Even though these health problems existed before the pandemic hit, in the post-pandemic period, it became a huge concern for the household along with the depletion of assets.

For a subset of households, the household head or adults were not able to engage in income-earning activities due to their health condition in the post-pandemic situation. One of the respondents from the rural location made the following observation about the toll ill-health takes. She said,

*My husband's work stopped during lockdown as he suffered from appendicitis. We didn't understand. He mentioned about stomach pain and used to minimise it by taking medicines for ulcers. We didn't understand the situation and later it burst. He couldn't work due to pain, and he was unemployed for three to four months. Before Covid-19, our situation was good. My husband could work. Now my husband can't go to work after operation. Before Covid-19, he could work, and we had income opportunities.*

(HH09-HV1, household head wife, tea stall owner, rural 1,  
15 February 2023)

Another household from the urban location described a situation where the household head's wife wanted to start working because of their financial condition but could not do so due to health issues.

*I did some cloth sewing work. I did some karchupi [embroidery] as well, but it created problem in my eyes and chest. That's why I won't do the work.*

(HH09-HV03, household head wife, homemaker, urban,  
10 February 2023)

Another household from the urban location used to run a food hotel before the pandemic. Both the household head and his wife and their sons used to run this together. During the pandemic, they had to close this shop and used that capital for consumption. Their sons are working as day labourers, but the husband and wife do not have the physical capacity to run the shop.

*My husband does not have the physical capacity to run the shop. Even if I have, I cannot run the shop alone. If I can run the shop now, I can recover from this shock, but I am too old for this. My sons do not want to work that much. I am unable because of my physical illness.*

(URB-HH18-HV2, household head wife, farmer, 20 February 2023)

## 7. Trajectories

In section 5, we have seen how households used different strategies to recover from the multiple shocks of the Covid-19 pandemic and the subsequent economic crisis. And in section 6, we also saw how different kinds of constraints prevented people from deploying these strategies successfully. In this section, we provide qualitative accounts of how households responded to the multiple crises and to what effect. We also deploy an analytical heuristic as discussed in section 3 to identify patterns that can help explain why some households seem to emerge from the crisis in what seems to be an upward trajectory, and others not. In looking for patterns, we ask questions about what seems to matter, both in terms of the position of households prior to the pandemic as well as the kinds of strategies they seem to deploy. Why are some households able to emerge from shocks and recover, and even thrive? Why do others seem to fall further into poverty despite initially being in similar positions to those who recover? To what extent do networks, location, or other features matter?

**Table 7.1 Categorisation of households pre- and post-pandemic**

	Never poor	Vulnerable non-poor poor
Recovering	A (13)	C (4)
Stuck	B (6)	D (16)

Source: Authors' own.

The never-poor households, in general, had better abilities to absorb shocks without selling assets and more stable and relatively higher-income occupations before the pandemic than the vulnerable non-poor households. Their diet featured more regular consumption of a variety of food including animal protein and fruits. Most of them could avail better and relatively expensive (mostly private) schooling and health-care services without much hesitation. In addition, most of them could financially help others and had the ability to take large loans

– especially for investment – and repay them, in contrast to the vulnerable non-poor households.

The vulnerable non-poor households were staying afloat in terms of earning their livelihoods before the pandemic but were susceptible to sliding into poverty since their shock-absorption capabilities were weaker. Some of them suffered shocks before the pandemic, leaving them exposed and incapacitated to weather the pandemic. Their diet featured animal protein; however, not as regularly as the ‘never-poor’ households. They opted for less costly schools (primarily government-run ones) and did not avail expensive health care unless it became critical and necessary. Furthermore, they took loans for consumption smoothing and were less capable of financially helping others in general. In the following sections, we dig deeper into strategies and constraints faced by households in each of these categories and what facilitated recovery.

## 7.1 Category A: never-poor households who were recovering

These households were never poor before the pandemic and were recovering. We have 13 households in this category, implying that the majority of the never-poor households (13 out of 19) were recovering after becoming ‘new poor’ due to the pandemic. Among them, seven were from the peri-urban location, four were from the rural location, and two were from the urban area. It is worth mentioning that most of our peri-urban households (seven out of ten) belong in this group, likely because nine of them were never poor before the pandemic. In addition, only two (out of 15) urban households in our sample were never poor and both of them fell in this category.

The primary income source for all the households in this category was small business (e.g. tea stall, grocery store, tailoring), except for three households where it was government service (RUR1-HH03), daily wage-earning (PUR-HH12), and remittance (PUR-HH10). All of the households apart from one (PUR-HH13) had a secondary earning source.

We start our analysis of this category with a thumbnail sketch of two households that seemed to be recovering at the time of the research, which provides qualitative depth to the broader analysis that follows.

## Illustrative vignette 7.1: Moinul, peri-urban area, HH12

Moinul (pseudonym) was a permanent worker at one of the jute mills. He lost his job during the pandemic as the government shut down all state-owned jute mills as the mills were making a loss. Moinul was proud to be a government employee and was closely connected to the community in the jute mill colony. He had grown up there as his father was also a jute mill worker. Therefore, the termination of his employment not only led to income loss, but also he felt he lost his identity. He worked as a night watchman for a few months but opted to work as a day labourer for better pay. In addition, he had been an Ansar (a paramilitary auxiliary force) commander, which provided him with some income in the form of a nominal monthly allowance and one-off payments for security duties. In pursuit of recovery, Moinul relied heavily on two factors: his severance package from the jute mill and networks. He invested a part of his severance pay in a government savings scheme, ensuring that his money was not badly invested elsewhere, while receiving a small monthly sum in return. He also bought a motorbike with that money so he could be mobile in his search for work and be active in matters that came under his role as a member of the Ansar. He had planned to sell the motorbike and use that with the remainder of his severance pay to buy an autorickshaw and secure a permanent livelihood in the coming days.

Moinul had to build new networks in the day labour market; however, his networks in the jute mill assisted him initially in finding work. Furthermore, his networks in the Ansar helped him get a TCB card and access different government services. His experiences of working as an Ansar commander, dealing with different actors, and his level of education also facilitated his networking activities with others in the day labour market. By resorting to his severance pay and his networks, Moinul was able to repay his loans taken during the pandemic, manage a steady income, and aspire for a better life with a secure and permanent livelihood.

### 7.1.1 Strategies and constraints in pursuit of recovery

The sketch offered above shows how households in this category pursued a range of strategies to manage the reduction in incomes, as well as attempt to recover and prosper. Drawing upon the categorisation of strategies presented in section 5, Table 7.2 presents which strategies were used by households in this category.

**Table 7.2 Strategies used by ‘never-poor’ and ‘recovering’ households (13 HHs)**

HHs by location	Utilising assets and savings	Loans	Multiple jobs	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain
Peri-urban (7 HHs)	6	6	5	5	1	7	4	7	2
Rural (4 HHs)	4	4	3	3	2	4	1	4	3
Urban (2 HHs)	2	2	2			2	1	2	1
Total	12	12	10	8	3	13	6	13	6

Source: Authors' own.

**Table 7.3 Constraints faced by ‘never-poor’ and ‘recovering’ households (13 HHs)**

HHs by location	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations
Peri-urban (7 HHs)	7	1	4	5	3	4	5	1	3
Rural (4 HHs)	4	4		4		4	4	1	1
Urban (2 HHs)	2			1	1	1	2		
Total	13	5	4	10	4	9	11	2	4

Source: Authors' own

The most common strategies adopted by this group of households are reducing costs (in consumption, education, health, etc.), utilising assets and savings, utilising networks, taking loans from different sources (NGOs, relatives, banks, etc.), maintaining multiple livelihoods, and shifting occupation. These strategies are common among all the categories; however, the underlying nature of the strategies adopted by this group are quite different from the others. Take the strategy of utilising assets and savings, for instance. While most households in this research have turned to their assets and savings in some form in their pursuit of recovery, the amount was much higher for this group since they were never poor prior to the pandemic. In addition, most of them could employ their assets and savings for recovery, setting them apart from the 'never-poor but stuck' households in category B. For example, when the male household head of RUR1-HH01 was severely constrained by his debts and lack of capital, selling his shop allowed him to repay a major proportion of his loans and invest the rest in his business. Other households including RUR2-HH11, PUR-HH07, PUR-HH11, PUR-HH12, and PUR-HH13 could also capitalise on their assets and savings for investing. The following quote illustrates how savings were used:

*I had a DPS [Deposit Pension Scheme] in a bank, opened it in 2014 when I had the job. I thought I could continue. Since I cannot continue it now, I took a loan of 2 lac against it. I have used the loan to buy cows and do some business.*

(PUR-HH11, household head, cow-rearing, peri-urban, 15 July 2023)

Most of these households had very strong networks, especially family networks. They also had access to community, market, and political networks, which were reliable and active. These not only helped them navigate different constraints but also supported their recovery. For instance, PUR-HH10 was able to rely on their family networks to weather the financial crisis during the pandemic, ensure a secure livelihood through migration, and start to get out of the debt trap in which they fell. The household head was also a close friend of the union member, who voluntarily provided them access to social safety nets such as the VGD. While Moinul (PUR-HH12) did not have such networks, he could resort to his Ansar networks to get hold of a TCB card, and his jute mill networks to shift his occupation and build new connections in the daily labour market:

*My aunt's shop was vacant. She offered the space to me to run a shop. I mean not in exchange of money, free. [She said], 'Look, use it, if you can do something'... she [the aunt] recommended [to the NGO] to give the loan. Otherwise, who would have given me 80 thousand taka?*

(PUR-HH13, household head grocery shop owner, peri-urban, 16 February 2023)

Therefore, although these households used strategies to survive the crisis like the other groups, their greater amount of assets and stronger, active networks resulted in much more effective recovery.

## 7.2 Category B: never poor who were not recovering

This category comprises the households that were never poor before the pandemic but could not recover during the period of our research, making their trajectories particularly interesting. There are six households in this category, of which two were from the peri-urban area and four were from the rural area. There are no urban households in this category since the only two urban never-poor households were part of the previous category.

The primary earning source for the households in this group is also small business, except for RUR1-HH02 and RUR1-HH04 where it was working in the jute mill. For one household (RUR2-HH09), however, the primary earner informed us that he closed his tea stall down due to insufficient capital. Barring this household, each in this group had a secondary income source.

We will again present our account for this group with a qualitative sketch of a household, followed by an overall analysis.

### Illustrative vignette 7.2: Shafiq, rural area, HH 09

Shafiq (pseudonym) ran a thriving digital service-providing centre (banner design, printing services, etc.) in Chattogram and earned more than BDT 50,000 per month before the pandemic. He closed down the business amid the lingering lockdowns, depleted his savings and capital to support the household, and returned to his native village in Khulna. After coming back, he tried to secure a livelihood by getting a job as an electrician in different companies, but his efforts were in vain. He did some part-time computer service work, but the meagre income was insufficient to meet his household costs. He had to sell assets such as a digital camera or furniture from time to time. Amid a severe financial crisis, Shafiq was forced to withdraw his underage daughter from school and marry her off. He tried to run a small tea stall-cum-computer services centre in the Upazila. After that, however, a persistent lack of capital did not allow the business to thrive, leading to the closure of the shop.

Lack of capital was the biggest constraint impeding Shafiq's recovery endeavours. He tried to secure business loans from microfinance

organisations but failed as he could not manage a guarantor. Borrowing from banks was not an option as he did not have any land registered under his name that could be used as collateral. Shafiq's strong middle-class sentiments prevented him from seeking help from his relatives and friends. As he had lived away from his community for work for a long time, it meant that he had fewer networks. His political support for the opposition also made it difficult for him to establish networks with local political elites to access safety net schemes. The pandemic had instigated a series of setbacks where all his recovery attempts became futile, leading Shafiq not to see any light at the end of the tunnel.

### 7.2.1 Strategies and constraints in pursuit of recovery

The frequently used strategies for this category largely resemble the ones used by the previous group. The difference lies, however, in the ways they were primarily used. While households in category A could use assets and savings or their networks in their recovery endeavours, households in this group deployed these mainly for survival or absorbing shocks. Therefore, they were struggling to find their feet and secure stable livelihoods.

Health-related constraints were observed to be a major impediment in recovery for three households in this category. Among two of them (PUR-HH01 and RUR1-HH09), the household head's income-generating activities were heavily constrained, whereas the other (RUR1-HH04) had a cancer patient, which required a considerable amount of expenditure in her treatment. Managing the costs of health care also led to the sale of assets for these households. For instance, RUR1-HH04 had to sell their land and cow, and RUR1-HH09 had to sell their cow to pay for health-care costs. The quote below illustrates the distress sale:

*The price of land was quite cheap [during the pandemic]. I sold 36.8 decimals of land for 56,000 BDT... that land cannot be bought now even for 4 lac BDT... For the treatment [of my wife]... If I reach out to others for support, I would need to pay back.*

(RUR1-HH04, household head, mill workers, 10 July 2023)

**Table 7.4 Strategies used by ‘never-poor’ and ‘not recovering’ households (6 HHs)**

HHs by location	Utilising assets and savings	Loans	Multiple jobs	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain
Peri-urban (2 HHs)	2	2	2	2		2	2	2	2
Rural (4 HHs)	3	4	4	2	1	4	2	4	3
Total	5	6	6	4	1	6	4	6	5

Source: Authors' own.

**Table 7.5 Constraints faced by ‘never-poor’ and ‘not recovering’ households (6 HHs)**

HHs by location	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations
Peri-urban (2 HHs)	2	1	2	2	1	1	2	1	2
Rural (4 HHs)	4	3	2	3	1	3	3	2	3
Total	6	4	4	5	2	4	5	3	5

Source: Authors' own.

If we compare with a household from category A (PUR-HH03) whose recovery also was affected by health-related issues, we notice that a strong family network played a vital role in coping with the adverse effect in pursuit of recovery:

*My daughter provides for my wife (who has a chronic health issue) and son. I do not need to spend from the income from my shop. Income from my shop is used to support the household.*  
(PUR-HH03, household head, tailor, peri-urban, 19 February 2023)

Unlike the households in category A, the households in category B largely could not rely on support from their networks to recover, but rather used them for meeting immediate needs (mainly consumption) and survive shocks. Some households (e.g. PUR-HH01, RUR-HH04; see Annexe Table A2) had active community and political networks, but these were resorted to primarily for coping with health or economic shocks instead of income-generating undertakings. Likewise, the family networks of RUR1-HH09 supported them with the daily necessities of the household after they suffered multiple shocks. The networks, especially the family networks, of these households were relatively inactive or weaker than the category A households as well. Some of the households (e.g. RUR2-HH09, PUR-HH17) were severely constricted and frustrated by their lack of networks. These were further aggravated by their sense of honour and shame. We can clearly see from the sketch that Shafiq (RUR2-HH09) was withheld by his middle-class sentiments to seek financial help from different sources, even from his relatives, which was evident in other cases in this group, such as PUR-HH01, PUR-HH17, and RUR1-HH04. This contrasts with the households in category A as they did not hold back from reaching out to their families despite featuring the characteristics of honour and shame.

A comparison of two resembling peri-urban cases, one from category A (PUR-HH13) and one from this one (PUR-HH17), depicts this well. The heads of both households were international returnee migrants who worked in Malaysia and set up grocery stores to earn their livelihoods after the onset of the pandemic. While PUR-HH13 could resort to their immediate family networks (see quote in the category A subsection) to borrow from microfinance organisations to take their business off the ground, the head of PUR-HH17 was ashamed to undertake such an attempt:

*If Allah puts me in trouble, there is nothing I can do. To whom will I go? There is no one as such. I have some relatives who are well off, but I do not reach out to them. I am like this from my childhood. I will not hold out my hand to ask for 500 BDT. I will toil but will not reach out to you.*  
(PUR-HH17, household head, grocery shop owner, peri-urban, 6 June 2023)

Another constraint that distinguished the households of this group from the previous one is debt trap, which is apparent from the constraints tables as well. While households in the former category were, at large, capable of starting to get out of debt traps, most of the households in this group could not do so. One of the two households (RUR2-HH09) that did get stuck in a debt trap was because it could not secure a loan. The inability of these households to capitalise on their assets and networks beyond survival and absorbing shocks – due to the constraints illustrated above – and them being trapped in debt was mutually reinforcing.

*I repaid some loans and some instalments with the loan taken from the Krishi Bank...repaid my dues accrued during Corona to several shops... could not invest in any development for income...we have incurred huge debts after the illness.*

(PUR-HH01, household head, tea stall owner, peri-urban,  
13 February 2023)

Therefore, an array of constraints in combination always pushed these households to use most of their strategies for survival, thus not allowing them to pursue recovery through ensuring stable livelihoods.

### **7.3 Category C: vulnerable non-poor who were recovering**

The households of this cluster were non-poor, but their situation was precarious, and they were at risk of falling into poverty. The Covid-19 pandemic was the force that eventually put them there. Being non-poor before the pandemic seemed to create challenges for them to access help (they were not poor enough), but their vulnerable condition also meant they were able to couch their needs in specific ways. Only four out of 20 vulnerable non-poor households were identified to be on track towards recovery during our research and all of them are from the urban location.

The primary earning source of these households was small business (e.g. bedding, seasonal fruits, ornaments) and daily wage work (rickshaw puller, hawker, furniture artisan). Only one household (URB-HH16) had income from both of these sources. All of the households in this category had a secondary income source. Only one household (URB-HH04) did not receive remittance while others received support from migrant family members.

A qualitative sketch of a representative household is described briefly, followed by a broader analysis of their trajectory.

## Illustrative vignette 7.3: Jamal, urban area, URB-HH04

Jamal (pseudonym) has been running a bedding business for a few years in the colony. Before that, he was engaged in various other businesses such as selling crab, iron scrap metals. He was also a rickshaw puller. He shifted his occupation several times as he was economically vulnerable. He lives in the colony and is not from the list of the original settlers in the informal settlement. He lives in rented accommodation inside the settlement. Before the pandemic, he had a good income from the bedding business and had a stable life. But the lockdown forced his shop to close, and he lost his main source of income. He could not make any profit for a year as the strict lockdown was prolonged when the second wave of Covid-19 hit Bangladesh. As most of the inhabitants of the informal settlement were also hard hit by the lockdown, Jamal's business suffered. His sons dropped out of the *madrassa* and started working by selling seasonal fruits inside the settlement at a lower price than the market rate. To supplement the household income, the eldest son also started working as an Imam (who leads prayers) during Ramadan (holy month of fasting for Muslim believers) in 2020.

The major constraint they faced in accessing social protection was Jamal's political affiliation with an opposition party (Bangladesh Islami Andolon). Jamal also thought his lack of networks within the government also affected their chance of being included in the official list. They did not receive any relief or monetary aid distributed by the government as the majority of the local elites who act as intermediaries in accessing safety nets belong to the ruling party. However, Jamal did receive help from other sources. He received relief goods from a navy official once and was recently given raw materials worth 11 thousand taka as a business incentive from BRAC. They were able to access NGO help through his wife's acquaintances in the informal settlement. What actually made his recovery possible was buying materials on credit for his shop and investing the profit in the seasonal fruit business. A local moneylender from the colony pays for the materials and Jamal repays a proportion of his debt within a certain period of time. Other than that, Jamal runs a *somiti* (financial cooperative group) where the members deposit 100–200 taka each week and he collects the cash. In times of capital crisis, he utilises the deposited cash and reconciles the balance afterwards. Moreover, his two sons have stable incomes as fruit sellers. They also drive easybikes to deliver goods and work as hawkers. In spite of running the business on credit, Jamal managed to ensure secure his livelihood and move towards recovering from poverty.

**Table 7.6 Strategies used by ‘vulnerable non-poor’ and ‘recovering’ households (4 HHs)**

HHs by location	Utilising assets and savings	Loans	Multiple jobs	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain
Urban (4HHs)	1	4	4	1	2	4	3	4	2
Total	1	4	4	1	2	4	3	4	2

Source: Authors' own.

**Table 7.7 Constraints faced by ‘vulnerable non-poor’ and ‘recovering’ households (4 HHs)**

HHs by location	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations
Urban (4 HHs)	3	2	-	2	1	3	3	-	2
Total	3	2	-	2	1	3	3	-	2

Source: Authors' own.

This group shares many common strategies similar to the other categories in their pursuit of recovery. All of them took loans, had multiple jobs, reduced costs, and used networks. Utilising assets or savings was not an option as for the most part, these households did not own any useful assets that would help to absorb shocks or survive during financial downfall. Most households in this category had small businesses or the head worked as a day labourer; therefore, shifting occupations meant that they might have faced more uncertainty. But residing in an urban area provided them mobility and opportunities to shift occupations compared to the other two areas. For example, Jamal (URB-HHO4) chose street vending as an immediate coping strategy while his bedding shop was closed for around a year during lockdown. They also used networks to access loans, social protections, or to migrate. People living in this informal settlement are used to accessing social safety nets and loans from the pre-pandemic period. They mostly rely on CDC committee members to reach the ward councillor, NGO authorities, or other service providers (see sections 5 and 6).

Using networks to access assistance and other services is one of the most frequently used strategies across locations and household categories during or after the pandemic. But in the urban area, networks, particularly the existence of a committee (CDC) that helps people access relevant services and support, played a significant role. This is one of the reasons that only urban households seem to be recovering in this category. As the committee members belong to a similar social and economic class, it helped the households to have easier access to the committee members and they were less hesitant to ask for help. For example, URB-HH11 and URB-HH04 received monetary aid, a relief slip, and business incentives respectively, through this network. The active presence of the committee and appropriate utilisation of such an intermediary channel made urban households' recovery endeavours less challenging.

It is important to note that the 'network' had a dominant role in the recovery of the households in the urban area because of the nature of the settlement they live in. The colony we selected is an informal settlement where inhabitants prefer to face shocks (e.g. threat of eviction, lockdown) collectively, given their uncertain status as settlers. The wider context within which these households live created the condition for focusing on networks and ensuring lesser threats to their existence.

Lastly, the characteristic of being vulnerable non-poor offered some advantages to them. They knew the pathways for accessing social protection and loans as they had done all this before or at least had the knowledge. On top of that, notions of honour and shame were less prevalent for them compared to the never-poor group. The service or aid providers considered them eligible, as they knew these households had accessed social protection before.

## 7.4 Category D: Vulnerable non-poor who were not recovering

This group was in a similar financial spectrum to Category C (vulnerable non-poor who were recovering) and could not overcome the economic slump caused by the pandemic. They also went through difficulties and used several strategies to try to recover but these did not work. This category contains the highest number of households (16) across three locations. The sample contained only one household (PUR-HH01) from the peri-urban location and has six households from the rural and nine from the urban location.

All of the households engage in low-income occupations. Their primary source of income was agriculture (e.g. farming, livestock-rearing, fishery), small business (e.g. street food, nut selling, tailoring, scrap business), and daily wage work (e.g. hawker, shipping goods, garage mechanic). Only four households (RUR2-HH10, URB-HH02, URB-HH05, URB-HH08, URB-HH09) did not have any secondary income source.

Like the other categories, we present the highlights of two illustrative households for some qualitative accounts and the trajectory analysis follows.

### Illustrative vignette 7.4: Azad, rural 1 area, HH05

Azad (pseudonym) worked as a day labourer at the *ghat* (riverbank) before the pandemic hit. He was not financially well off but was able to provide for his family. During lockdown, he had irregular work, so his income was irregular. He was struggling. Eventually, the *ghat* was closed as lockdown was strictly enforced. Meanwhile, he had to borrow cash from relatives and neighbours. After being unemployed for almost a year, he decided to migrate to Saudi Arabia in 2021. He mortgaged his father's lands, took a loan from an NGO, and migrated, hoping for a stable income. As he lacked the appropriate papers, he was deported. On his return, the creditors started asking for repayment, but he was unable to find work. With the help of his friends, he joined the *ghat* again, but a large proportion of his earnings go towards paying back loans and meeting daily household expenses. His wife took loans from other NGOs to repay back relatives and NGOs. Sometimes she borrows from the neighbours and pays instalments. They have to take out loans for consumption as well. Persistent reliance on loans led to the household falling into a debt trap.

**Table 7.8 Strategies used by ‘vulnerable non-poor’ and ‘not recovering’ households (16 HHs)**

HHs by location	Utilising assets and savings	Loans	Multiple jobs	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain
Peri-urban (1 HH)	-	-	1	1	-	1	-	1	1
Rural (6 HHs)	2	6	6	2	1	6	4	4	3
Urban (9 HHs)	4	9	5	2	2	9	6	9	5
Total	6	15	12	5	3	16	10	14	9

Source: Authors' own.

**Table 7.9 Constraints faced by ‘vulnerable non-poor’ and ‘not recovering’ households (16HHs)**

HHs by location	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations
Peri-urban (1 HH)	1	-	1	-	1	1	1	-	1
Rural (6 HHs)	5	6	3	3	2	4	6	-	3
Urban (9 HHs)	7	5	3	6	3	2	9	4	5
Total	13	11	7	9	6	7	16	4	9

Source: Authors' own.

The above-mentioned scenario illustrates the situation of the households who belong to this category from the beginning to the end of our study. Their existing conditions such as weak financial status, instability of income, and debt, made them vulnerable to becoming poor when the Covid-19 pandemic hit. As their livelihoods became uncertain, the households used their savings and took out loans to survive. The households were unable to recover as they relied heavily on loans and used up their assets and savings for survival and shock absorption.

Table 7.8 shows that six households had consumed assets or savings and could not reinvest. For example, Azad (RUR1-HH05) migrated to Saudi Arabia in 2021 by mortgaging his father's land and was forced to come back within six months. His assets were depleted as he tried to cope with income loss during the pandemic. Another household (URB-HH02) mortgaged gold jewellery to meet household expenditures as the husband was unemployed. The quote below illustrates their vulnerable condition.

*We are planning to take loans to repay and discharge the mortgaged jewellery. We took 50,000 BDT loan as we cannot afford instalments for more than that. There are several expenses including children's education, household expense that need to be met. Considering the overall situation, repaying a huge loan is not possible. On top of that, the longer the jewellery is pawned for, the more interest is being added. So, we are paying little by little and recovering the jewelleries.*  
(URB-HH02, household head, bus driver, 3 December 2022)

The small business owners (81.25 per cent) within this group could not secure a stable income as they were short of capital. Unlike the day labourers, their livelihood was dependent on financial capital that they had depleted during lockdown to bear consumption and health expenses. The assets they had were insufficient as they could not be invested in income-generating activities.

*I am not working because I don't have money, otherwise I am not lazy. I am a hard-working businessperson. I lost my capital during corona and since then not being able to recover. It's not easy to absorb and recover after losing 3–4 lakh BDT.*  
(RUR1-HH06, household head, rural, 6 December 2022)

Most of them had multiple jobs before the pandemic because they did not have a strong economic foundation. They needed to work multiple jobs to finance their regular expenditures and most importantly to pay loan instalments. Taking out loans is a regular practice among these households. The economic crisis triggered by the pandemic led to these households falling into a debt trap. Table 7.9 demonstrates the severity of the debt trap within this category (the majority of the households in both urban and rural areas were trapped in debt).

Lastly, the vulnerable households who were not recovering lacked market networks (e.g. business association, money lenders, *mohajons*) and government networks (government representatives, departments and ministries). Though these households utilised networks, the major constraint was the horizontal nature of their networks, which made their networks weaker compared to the households in other groups. Most of them approached relatives, friends, or neighbours who belonged to a similar socioeconomic position. The households in this category failed in reaching beyond family or community networks. They were reluctant to reach out to the local elite or government actors as they held a strong sense of distrust towards these groups, which also limited their potential for recovery.

## 7.5 General observations on the trajectories

The above analysis of household trajectories revealed that most of the never-poor households were recovering, whereas most of the vulnerable non-poor were stuck and not recovering. Importantly, the analysis revealed the importance of networks in helping households cope and recover. These networks included family and friends, political affiliation with the ruling party, and access to local government actors. The never-poor households had better networks, and this was reflected in their ability to recover. All households reported that notions of honour and shame influenced what they did, irrespective of whether the households were recovering or not.

Households who were not able to recover used similar sets of strategies (taking out loans, working multiple jobs, etc.), if not a wider range of strategies than their counterparts who were recovering. However, it appears that the strategies had different outcomes in the two types of households, which seem to indicate that existing financial and social assets, household location, and some luck, are what mattered.

## 8. Conclusion

We started by asking, ‘How are the new poor attempting to recover: what strategies are they using and what constraints do they face? And what are the implications for governance of their efforts?’ To answer these questions, we explored the coping strategies of the households, how they vary in the ways they interact with state actors and informal authorities in the different research locations, and what has shifted with respect to these interactions. We also explored the mutual support networks, the role of social and gender norms that place constraints on people accessing support, and the way they interact with various authorities as they try to recover from poverty. We summarise here the key findings from the previous sections and discuss their wider implications for policy and practice.

We found that the new-poor households we engaged with use a wide variety of strategies, and these were shaped by their pre-pandemic economic status, networks, political affiliations, and existing social norms. The key strategies employed by households included financial, livelihood, and cost-reduction strategies. The new poor took on loans, switched occupations, or worked at multiple jobs or put non-working members of the household to work, and cut spending on food, schooling, and health care. Some accessed social safety nets. What they were able to do depended on the kinds of networks they had. It is important to note that accessing loans for consumption or reinvestment was a key strategy across all locations. Given the lack of targeted programmes for provision of loans to the new poor and the fact that all our households relied mostly on loans demands programmatic response.

We found that intermediaries were key to accessing social safety nets and having political affiliations played an important role in getting documentation and accessing social protection schemes. Moreover, the types of networks households could access, specifically with respect to formal and informal intermediaries, differed by pre-pandemic economic status. Those who were ‘never poor’ had strong access to formal state and market actors who could help them cope with the multiple crises, whereas those who were ‘vulnerable non-poor’ had less access to such actors. The differing access to networks impacted how households recovered, with most of the never-poor households recovering better than the vulnerable non-poor households. Our findings show that the socioeconomic resilience of the vulnerable non-poor households has weakened as they were hit by multiple shocks and their support networks among family and friends were depleted.

Interestingly, the new-poor households sought loans mostly from family members and MFIs. Social safety programmes were not evenly accessed across

households and the state's role in assisting households to bounce back was limited. Here, political affiliations with the ruling party and access to government officials mattered. Most of the new-poor households had good access to the lowest tier of local government. However, the new-poor households had low expectations from the government to provide support for various reasons including that they were aware that most social safety net programmes targeted the ultra-poor households. They also drew attention to the fact that the funds that were being disbursed during the pandemic were not reaching them, and they held the belief that corruption was taking place at the lowest tier of local government. Very few households protested or lodged formal complaints about lack of assistance or how this was disbursed, which affirms the public perception of limited formal accountability in Bangladesh.

The strategies new-poor households employed to cope and recover faced a range of constraints themselves. Overall, these constraints were strongly connected to the political economy of social protection, service provision, local governance, and social norms. Health and financial constraints were common across the study locations, but social norms (notions of honour and shame and restrictive gender norms), lack of networks, and an absence of an effective governance structure to access documents and distrust emerged as key factors that limited the ways households could meet various needs. Across locations, debt burden, inability to repay, and limited access to various social protection schemes (because of eligibility criteria and lack of networks) was the most reported concern. Social norms, particularly notions of honour and shame, along with gender norms, prevented households from seeking official assistance. Households reported feeling ashamed to ask for help from others, and gender norms kept women from working despite the tough financial situation.

Governance-related constraints were cross-cutting as an issue across financial provision, safety net, and health sectors. The absence of systematic state support for the new poor emerged as a key constraint, which deepened perceptions that the local government fails to play an effective role in addressing the governance needs of the new poor. The levels of trust in the local government were low compared to the national government, which may be due to proximity to the local government and knowledge of corruption that takes place at the local level.

Our study of household trajectories revealed that households that were able to recover were able to leverage their family networks and had strong political affiliations with the ruling elite and government officials. This finding is not unusual; but it does draw attention to the need for further analysis of what role the different types of networks play in determining the different recovery trajectory for the new-poor household. It is also important to explore the role social norms play in influencing the trajectories of the new-poor households.

Households that were not recovering were strongly affected by norms around honour and shame. Not surprisingly, it was the never-poor households that reported honour and shame constraints more than the vulnerable non-poor households which had previous experience of asking for family and state support.

Locations mattered in influencing how well the vulnerable non-poor households recovered, as urban households had more options for switching to alternative livelihoods. Vulnerable non-poor households who were not recovering showed a pattern of consuming savings early on in the pandemic and then struggling to recover. Across households, irrespective of their pre-pandemic economic status, whether they were never poor or vulnerable non-poor, health-related constraints played a critical role across the households who were not recovering.

The governance diaries as a methodological approach to studying the new-poor households was useful since it allowed for repeated interviews with households, helping us to collect valuable qualitative panel data over several months. Our repeated interactions helped us build good relations and a level of trust for households to share difficult and sensitive information. By following the stories of the households over several months we could also note the inconsistencies in self-reported data to ensure our data was robust. Some households who initially claimed to be newly poor were later discovered to be well off and unsuitable for our study, so we could remove them from the final list of respondents. Through repeated interviews, we could understand experiences of households over time. We were able to explore how the new-poor households coped during important events like Eid and Ramadhan, and track episodes of households trying to use different strategies to improve their financial situation.

What is striking among our findings is the relative absence of government assistance and services in the lives of the new poor. Only a limited number of the new-poor households, and most of them mainly interacted with the lowest level of local government officials, were helped with information on loans and official documents. This absence of state support was present even during the peak pandemic period when the local officials were providing health-related information. While the new poor expected the government to provide services, ineffective public health and education systems meant that they had to seek services from the private sector. High levels of costs of private services meant that the new poor experienced further depletion. The absence of market interventions supported by the state or private sector for the new poor to support alternative livelihoods outside of agriculture or livestock-rearing meant that recovery opportunities were limited.

Several issues emerge that are important for further analysis and research. What kinds of financial and social policy measures can assist the new poor in their recovery? The current safety nets and financial/credit interventions have worked

for the ultra-poor and vulnerable poor households but do not cover the new-poor households (Roelen *et al.* 2024; Rahman *et al.* 2021; Gomes *et al.* 2023). This requires further thought in policy. In addition, how well the state can assist the new poor is also hampered by corrupt practices and political economy factors that shape the delivery of safety nets and anti-poverty programmes (Ahmed *et al.* 2023). Several of the new-poor households reported corruption to be common in the disbursement of funds and social protection benefits. Additionally, local government members were perceived to limit access of social protection to affiliates of the ruling party.

The role of NGOs in assisting new-poor households was largely limited to providing loans. We found that our households reported a limited NGO role in advocacy or service-delivery related work except for in the urban informal settlement. While this perception of the NGO role may be related to NGO-led finance programmes targeting the ultra-poor or vulnerable poor households, this does draw attention to the way the space for NGO work at the local level may be shifting with less focus on advocacy-related work (Hossain and Lewis 2024). Across locations, the new-poor households reported the need for market interventions, accessing government documentation, assistance with health costs, and education. NGO interventions also need to be designed to provide additional support such as training, care, mental health support, and finding alternative livelihoods outside of agriculture, to the new poor (Gomes *et al.* 2023).

What do the above findings mean in terms of concrete policy measures? Building shock-responsive social protection measures that can cover new-poor households emerges as an important policy step. NGOs such as BRAC are designing interventions to assist the new poor with credit plus interventions (Gomes *et al.* 2023), which can be further scaled up to provide livelihood support to the new poor. Documents the new poor needed to access for social safety nets, migration, and other services means that the processes through which citizens acquire these documents must be less cumbersome. The government had introduced various digital platforms for acquiring these documents, but these platforms need better interfaces, and processes at the local level need to be simplified. Gatekeeping and elite capture of state resources at the local level remain key areas of concern with respect to accessing state support. The absence of complaint from the new poor is telling. It is important to build citizens' voice at the local level. Formal mechanisms for citizen engagement exist at the local level. These platforms need to be strengthened.

## Annexe

**Table A1 Complete list of household respondents**

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
RUR1-HH01	Rural	Male		1 male, 3 females	HH head-vegetable and fish go-down business	Land lease, bird business, shop rent	Returned international migrant	Pucca	Not poor	Strong	Recovering	Loan repayments, land registry, wife's job, health, education
RUR1-HH02	Rural	Male	50–60	4 males, 1 female	Mill worker and agriculture (paddy and fish farm)	Poultry and cow-rearing	No migrants	Kaccha	Not poor	Weak	Not recovering	Debt, education, livelihood, international migration
RUR1-HH03	Rural	Male		3 males, 2 females	Government job	Grocery store, agriculture	Returned international migrant	Pucca	Not poor	Strong	Recovering	Loan repayments

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
RUR1-HH04	Rural	Male	55–60	6 males, 3 females	HH head, mill worker, elder son, mill supervisor, younger Son, auto driver	Agriculture (paddy and fish farm)	Returned international migrant	Pucca	Not poor	Strong	Not recovering	Livelihood, health, debt
RUR1-HH05	Rural	Male		2 males, 2 females	Day labourer	Poultry, house rent	Returned international migrant	Kaccha	Vulnerable non-poor	Weak	Not recovering	Loan repayments, livelihood, initiatives for returnee migrants
RUR1-HH06	Rural	Female	50–60	2 females	Business (poultry)	Street food selling, jute mill work	No migrants	Kaccha	Vulnerable non-poor	Strong	Not recovering	Health, education, livelihood, debt
RUR1-HH07	Rural	Male	40–50	2 males, 2 females	Farmer	Livestock-rearing, jute mill work	No migrants	Pucca	Not poor	Weak	Not recovering	Social protection, health, education, livelihood, debt

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
RUR1-HH09	Rural	Male	Jahangir's father (around 70 years old)	3 males, 3 females	Day labourer and cow-rearing	Livestock-rearing, tea stall	No migrants	Kaccha	Not poor	Weak	Not recovering	Social protection, health, livelihood, debt
RUR2-HH03	Rural	Male		2 males, 1 female	Street food business	Cook	No migrants	Semi-pucca	Vulnerable non-poor	Weak	Not recovering	Loan repayments
RUR2-HH05	Rural	Male	40–45	4 males, 4 females	Nut seller and van driver	Van driver	No	Semi-pucca	Vulnerable non-poor	Weak	Not recovering	Social protection, NID card, education, debt, livelihood
RUR2-HH6	Rural	Male	45–55	2 males, 5 females	Tea stall owner and cow-rearing		No	Semi-pucca	Vulnerable non-poor	Strong	Recovering	Social protection, debt, court case
RUR2-HH09	Rural	Male	40–50	1 male, 3 females	Tea stall owner	Petty computer work	Urban migrant	Semi-pucca	Not poor	Weak	Not recovering	Education, livelihood, debt

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
RUR2-HH10	Rural	Male	40–50	2 males, 1 female	Nut seller		No migrants	Pucca, kaccha	Vulnerable non-poor	Weak	Not recovering	Education, health, livelihood, debt
RUR2-HH11	Rural	Male	30–40	5 males, 6 females	Grocery store	Poultry business, cow-rearing	Returned international migrant	Pucca	Not poor	Strong	Recovering	Health, debt
PUR-HH01	Peri-urban	Male	40–50	2 males, 1 female	Tea stall	Poultry business and construction material business	No migrants	Semi-pucca	Not poor	Weak	Not recovering	Health, debt, bank loan
PUR-HH03	Peri-urban	Male		2 males, 2 females	Tailoring business	House rent	No migrants	Pucca	Not poor	Weak	Recovering	Taking back his shop from ruling party followers, reduced inflation, loan/ business capital

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
PUR-HH06	Peri-urban	Male		1 male, 2 females	Clothing business	Packaging business	No migrants	Semi-pucca	Not poor	Strong	Recovering	Low-interest govt loan, SSN cards, trade licence, public health care
PUR-HH07	Peri-urban	Male	30–40	3 males, 2 females	Restaurant business	Land lease	No migrants	Semi-pucca	Not poor	Weak	Recovering	Debt, health
PUR-HH10	Peri-urban	Male	40–50	3 males, 1 female	Cloth seller	Working abroad	International migrant (goes to India for work)	Kaccha	Not poor	Strong	Recovering	Debt, land, livelihood
PUR-HH11	Peri-urban	Male	40–50	3 males, 3 females	Cow-rearing and rice selling	Land brokering	No migrants	Pucca	Not poor	Strong	Recovering	Livelihood, debt

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
PUR-HH12	Peri-urban	Male	35–40	3 males, 2 females	Day labourer	Bought motorcycle	No migrants	Kaccha	Not poor	Weak	Recovering	Livelihood, health
PUR-HH13	Peri-urban	Male	40–50	4 males, 3 females	Grocery shop owner	None	Returned international migrant	Pucca	Not poor	Strong	Recovering	Education, health, livelihood, debt
PURHH 15	Peri-urban	Male	40–50	2 males, 2 females	Bedding business	Agriculture, poultry farm	No migrants	Semi-pucca	Vulnerable non-poor	Weak	Not recovering	NID and birth registration card, debt, livelihood
PUR-HH17	Peri-urban	Male	40–50	3 males, 3 females	Grocery shop owner	Cow-rearing	International returnee Migrant	Semi-pucca	Not poor	Weak	Not recovering	Livelihood, migration
URBHH 1	Urban	Male	45–50	3 males, 1 female	Husband, home appliances business, wife, tailoring business	Rent from housing plot	No migrants	Semi-pucca	Not poor	Strong	Recovering	Health, debt, education

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
URBHH 2	Urban	Male	40–50	2 males, 2 females	Bus driver		No migrants	Semi-pucca	Vulnerable non-poor	Weak	Not recovering	Education, health, debt
URBHH 3	Urban	Male	40–50	2 males, 1 female	Husband, tea stall, wife, beauty parlour		No migrants	Semi-pucca	Not poor	Strong	Recovering	Health, debt, education, livelihood
URBHH 4	Urban	Male		4 males, 1 female	Bedding and seasonal fruit business	Working as a butcher during <i>qurbani</i>	No migrant	Pucca (rental)	Vulnerable non-poor	Moderate	Recovering	Inclusion in SSNs, trade licence, housing
URBHH 5	Urban	Male		2 males, 3 females	Elder son, tailoring in Dubai, younger son, various works		International returnee migrant	Semi-pucca	Vulnerable non-poor	Weak	Not recovering	Migration, land, access to SSN

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
URBHH 6	Urban	Male		1 male, 2 females	Husband, tailoring, outsourcing job in city corporation	Wife, tuition	No migrant	Pucca	Vulnerable non-poor	Moderate	Not recovering	Employment, low-interest loan
URBHH 7	Urban	Male		2 males, 3 females	Husband, migrant worker	Wife, paper packet, helping hand	International migrant	Pucca (rental)	Vulnerable non-poor	Strong	Not recovering	Loan repayments, land, employment
URBHH 8	Urban	Female	40–50	1 male, 1 female	Scrap business		No migrants	Semi-pucca	Vulnerable non-poor	Weak	Not recovering	Health, debt, livelihood
URB-HH09	Urban	Male	30–40	1 male, 2 female	Scrap Business-man	None	No migrants	Kaccha	Vulnerable non-poor	Strong/weak	Not recovering	Health, livelihood, debt
URBHH -10	Urban	Male	30–40	3 male, 2 female	Fruit selling	Cloth sewing, scrap business	No migrants	Kaccha	Vulnerable non-poor	Strong	Recovering	Health, livelihood, debt, education

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
URBHH-11	Urban	Male	40–50	3 male, 1 female	Hawker	Remittance	International migrant	Kaccha	Vulnerable non-poor	Strong	Recovering	Health, livelihood, debt, education
URBHH-15	Urban	Male	40–45	1 male, 3 females	Rickshaw puller	Remittance	International migrant	Kaccha	Vulnerable non-poor	Weak	Recovering	Health, livelihood, debt, education
URBHH-16	Urban	Female	50–60	3 males, 2 females	Ornaments seller, son, furniture artisan	Remittance	International migrant	Pucca	Vulnerable non-poor	Strong	Recovering	Debt, health, livelihood
URBHH-17	Urban	Male	35–40	3 males, 1 female	Garage mechanic	Kantha stitch	No	Semi-pucca	Vulnerable non-poor	Strong/weak	Recovering	Debt, health, livelihood

ID	Location	Gender of HH head	Age of HH head	Household composition	Primary income source	Secondary income source	Migration	House structure	HH type (pre-Covid)	Current networks	HH type (post Covid)	Governance needs
URBHH-18	Urban	Female	Momotaz, 50 years old; Momtaz's husband, 50–60 years old	2 male, 2 female	Part-time farmer Husband, part-time farmer, sons, day labourer; one son, migrant worker	Farming	No	Semi-pucca	Vulnerable non-poor	Strong	Not recovering	Debt, livelihood, health

Source: Authors' own.

**Table A2 Strategies used by ‘never-poor’ and ‘recovering’ households**

Household ID	Utilising assets and savings	Loans	Multiple job	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain	TOTAL
PUR-HH03	x		x			x	x	x		5
PUR-HH06	x	x	x			x		x		5
PUR-HH07	x	x	x	x		x		x		6
PUR-HH10		x		x	x	x	x	x		6
PUR-HH11	x	x	x	x		x		x	x	7
PUR-HH12	x	x	x	x		x	x	x		7
PUR-HH13	x	x		x		x	x	x	x	7
RUR1-HH01	x	x	x	x	x	x		x	x	8
RUR1-HH03	x	x	x	x	x	x		x	x	8
RUR2-HH06	x	x				x	x	x	x	6
RUR2-HH11	x	x	x	x		x		x		6
URB-HH01	x	x	x			x		x		5
URB-HH03	x	x	x			x	x	x	x	7
<b>PERCENTAGE</b>	<b>92%</b>	<b>92%</b>	<b>76%</b>	<b>54%</b>	<b>23%</b>	<b>100%</b>	<b>46%</b>	<b>100%</b>	<b>46%</b>	

Source: Authors' own.

**Table A3 Constraints faced by ‘never-poor’ and ‘recovering’ households**

Household ID	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations	Total
PUR-HH03	x		x	x	x		x	x	x	7
PUR-HH06	x		x		x	x			x	5
PUR-HH07	x		x	x	x	x	x		x	7
PUR-HH10	x	x		x						3
PUR-HH11	x			x			x			3
PUR-HH12	x		x			x	x			4
PUR-HH13	x			x		x	x			4
RUR1-HH01	x	x		x		x	x	x	x	7
RUR1-HH03	x	x		x		x	x			5
RUR2-HH06	x	x		x		x	x			5
RUR2-HH11	x	x		x		x	x			5
URB-HH01	x			x	x	x	x			5
URB-HH03	x						x			2
<b>PERCENTAGE</b>	<b>100%</b>	<b>38%</b>	<b>30%</b>	<b>84%</b>	<b>31%</b>	<b>69%</b>	<b>84%</b>	<b>15%</b>	<b>31%</b>	

Source: Authors' own.

**Table A4 Strategies used by ‘never-poor’ and ‘not recovering’ households**

Household ID	Utilising assets and savings	Loans	Multiple job	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain	TOTAL
PUR-HH01	x	x	x	x		x	x	x	x	<b>8</b>
PUR-HH17	x	x	x	x		x	x	x	x	<b>8</b>
RUR1-HH02		x	x		x	x		x	x	<b>6</b>
RUR1-HH04	x	x	x			x	x	x	x	<b>7</b>
RUR1-HH09	x	x	x	x		x	x	x	x	<b>8</b>
RUR2-HH09	x	x	x	x		x		x		<b>6</b>
<b>PERCENTAGE</b>	<b>83 %</b>	<b>100%</b>	<b>100%</b>	<b>66%</b>	<b>16%</b>	<b>100%</b>	<b>66%</b>	<b>100%</b>	<b>83%</b>	

Source: Authors' own.

**Table A5 Constraints faced by ‘never-poor’ and ‘not recovering’ households**

HH IDs	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations	Total
PUR-HH01	x	x	x	x	x		x	x	x	8
PUR-HH17	x		x	x		x	x		x	6
RUR1-HH02	x	x	x		x	x	x		x	7
RUR1-HH04	x	x		x				x		4
RUR1-HH09	x	x		x		x	x	x	x	7
RUR2-HH09	x		x	x		x	x		x	6
<b>PERCENTAGE</b>	<b>100%</b>	<b>66%</b>	<b>66%</b>	<b>83%</b>	<b>33%</b>	<b>66%</b>	<b>83%</b>	<b>50%</b>	<b>83%</b>	

Source: Authors' own.

**Table A6 Strategies used by ‘vulnerable non-poor’ and ‘recovering’ households**

Household ID	Utilising assets and savings	Loans	Multiple job	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain	TOTAL
URB-HH04		x	x	x		x	x	x	x	7
URB-HH11		x	x		x	x		x		5
URB-HH15		x	x		x	x	x	x		6
URB-HH16	x	x	x			x	x	x	x	6
<b>PERCENTAGE</b>	<b>25%</b>	<b>100%</b>	<b>100%</b>	<b>25%</b>	<b>50%</b>	<b>100%</b>	<b>75%</b>	<b>100%</b>	<b>50%</b>	

Source: Authors' own.

**Table A7 Constraints faced by ‘vulnerable non-poor’ and ‘recovering’ households**

Household ID	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations	TOTAL
URB-HH04		x		x	x				x	4
URB-HH11	x			x		x	x		x	3
URB-HH15	x					x	x			3
URB-HH16	x	x				x	x			4
<b>PERCENTAGE</b>	<b>75%</b>	<b>50%</b>	<b>0%</b>	<b>50%</b>	<b>25%</b>	<b>75%</b>	<b>75%</b>	<b>0%</b>	<b>50%</b>	

Source: Authors' own.

**Table A8 Strategies used by ‘vulnerable non-poor’ and ‘not recovering’ households**

Household ID	Utilising assets and savings	Loans	Multiple job	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain	TOTAL
PUR-HH15			x	x		x		x	x	6
RUR1-HH05	x	x	x	x	x	x	x		x	8
RUR1-HH06		x	x	x		x		x		5
RUR1-HH07	x	x	x			x	x	x	x	7
RUR2-HH03		x	x			x	x	x		5
RUR2-HH05		x	x	x		x	x	x	x	7
RUR2-HH10		x	x			x				3
URB-HH02	x	x				x		x		4
URB-HH05	x	x			x	x		x		5
URB-HH06		x	x			x		x		4
URB-HH07		x	x	x	x	x	x	x	x	8
URB-HH08		x				x	x	x		4
URB-HH09		x	x			x	x	x	x	6
URB-HH10	x	x	x	x		x	x	x	x	8
URB-HH17		x	x			x	x	x	x	6
URB-HH18	x	x				x	x	x	x	6
<b>PERCENTAGE</b>	<b>37.5%</b>	<b>93.75%</b>	<b>75%</b>	<b>37.5%</b>	<b>18.75%</b>	<b>100%</b>	<b>62.5%</b>	<b>87.5%</b>	<b>56.25%</b>	

Source: Authors' own.

**Table A9 Constraints faced by ‘vulnerable non-poor’ and ‘not recovering’ households**

Household ID	Lack of capital	Debt trap	Lack of networks	Honour and shame	Distrust	Lack of social protection	Lack of income	Health hazards	Lack of expectations	TOTAL
PUR-HH15	x		x		x	x	x		x	6
RUR1-HH05		x	x	x	x	x	x			6
RUR1-HH06	x	x		x		x	x		x	6
RUR1-HH07	x	x	x			x	x		x	6
RUR2-HH03	x	x	x		x		x		x	6
RUR2-HH05	x	x				x	x			4
RUR2-HH10	x	x		x			x			4
URB-HH02		x	x	x		x	x	x		6
URB-HH05	x		x	x	x	x	x		x	7
URB-HH06	x	x		x	x		x	x	x	7
URB-HH07		x		x	x		x		x	5
URB-HH08	x		x	x			x	x		5
URB-HH09	x	x		x			x			4
URB-HH10	x	x					x	x	x	5
URB-HH17	x						x			2
URB-HH18	x						x		x	3
<b>PERCENTAGE</b>	<b>81.25%</b>	<b>68.75%</b>	<b>43.75%</b>	<b>56.25%</b>	<b>37.5%</b>	<b>43.75%</b>	<b>100%</b>	<b>25%</b>	<b>56.25%</b>	

Source: Authors' own.

**Table A10 Strategies used by ‘never-poor’ and ‘not recovering’ households**

Household ID	Utilising assets and savings	Loans	Multiple job	Shifting occupation	Migration	Reducing costs	Accessing social protection	Using network	Taking up governance chain	TOTAL
PUR-HH01	x	x	x	x		x	x	x	x	8
PUR-HH17	x	x	x	x		x	x	x	x	8
RUR1-HH02		x	x		x	x		x	x	6
RUR1-HH04	x	x	x			x	x	x	x	7
RUR1-HH09	x	x	x	x		x	x	x	x	8
RUR2-HH09	x	x	x	x		x		x		6
<b>PERCENTAGE</b>	<b>83%</b>	<b>100%</b>	<b>100%</b>	<b>66%</b>	<b>16%</b>	<b>100%</b>	<b>66%</b>	<b>100%</b>	<b>83%</b>	

Source: Authors' own.

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