The process of poverty and the ultra poor

Shantana R. Halder
A.M.Muazzam Husain

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Abstract

This report focuses on the poverty process - how they become poor, the reasons for their falling into poverty. Poverty is multi-causal. On average 1.7 causes were identified by the respondents. Major causes of poverty were family break-up and land redistribution caused by higher population growth and scarcity of land, poverty inheritence, loss of income earners, coping with incidental crisis and loss of all properties due to natural calamities. The other less important factors of poverty for all but important for specific regions were some bad habit of household heads, river erosion and dowry payment..

Introduction

In Bangladesh during the last two and a half decades, a number of alternative development models have been implemented for poverty alleviation. However, results of different studies do not show desirable improvement in this field especially in case of the ultra poor segment of the rural population. One of the probable reasons could be the fact that in majority cases all the development institutions set programmes for a specific group of population based on certain assumption which may mismatch with the specific needs of the ultra poor. Secondly, all the studies related to poverty issues in Bangladesh have focused on factors affecting poverty, but not the poverty process (Hossain & Hossain, 1995, Mujeri, 1999, Hossain, 1998, Khandker, 1998, Husain, 1998). The latter is very important for the policy makers to get a clear understanding on the root causes of poverty and to design an appropriate policy intervention for certain bypassed groups.

This report focuses on the poverty process - how they become poor, the reasons for their falling into poverty. Data used in this report were collected in December 1998 from 1,250 ultra poor households residing in five districts under 25 BRAC's RDP Area Offices. These are the households who were eligible for NGO membership but not participated in the NGO activities. In sample selection the list of all ultra poor households living in the villages of all RDP working areas but not participating in NGO activities prepared by RDP local staff in 1997 was used. The five districts selected for this study were Comilla, Jamalpur, Faridpur, Rangpur and Bogra where concentrations of the non-participating ultra poor households were highest. From each selected region five Area Offices (AOs) were sampled based on the higher frequency of non-participating households.

Causes of downward mobility and the process of poverty

The findings of the study show that poverty is multi-causal. In response to the question of how they became poor, forty-seven percent of the respondents stated one major reason, 38% mentioned two, 15% reported three and only 2.6% reported four major causes of their poverty. Eight respondents (0.6%) do not think that they are poor and did not respond to this question. Number of reasons reported varies significantly by region (Table 1). Majority of the respondents (68%) in Bogra and Faridpur found their present poverty caused by one single factor, while majority of respondents in Rangpur and Jamalpur region reported a number of factors associated with their present poverty. On average, one respondent in Rangpur and Jamalpur region mentioned 2.1 causes, while this average number was 1.4 in Bogra and Faridpur and 1.7 in Comilla region.

Table 1. Distribution of households by the number of causes of poverty by region (%)

No. of causes	Rangpur	Comilla	Bogra	Jamalpur	Faridpur	Total
One	24.0	46.4	68.4	28.8	68.4	47.2
Two	45.6	40.0	24.8	35.2	28.4	34.8
Three	24.8	12.4	6.4	27.6	2.8	14.8
Four	4.4	0.8	-	7.2	0.4	2.6
No response	1.2	0.4	0.4	1.2	-	0.6
Average number of causes mentioned	2.1	1.7	1.4	2.1	1.4	1.7

On the question regarding how they became poor, 41% of the respondents stated that land redistribution due to family break-up caused by higher population growth and land scarcity was one of the causes of their present poverty. Second highest response was poverty inheritance mentioned by one-third of the sample population. Twenty-three percent related their poverty with loss of their family income earners. Loss of all properties due to river erosion, flood and other types of natural calamities was mentioned by nearly one-fourth of the population. Coping with incidental family crisis like accidents, ill health of household members and provision of dowry for daughters' marriages also influenced the downward mobility of a significant number of households. More than one-fourth of the respondents mentioned that ill health was one of the causes of their poverty. Payment of dowry affected nearly seven percent of the respondents. About six percent reported that they became poor due to certain personal characteristics of their household heads. It was reported that some of them lost all their household properties in gambling, others sold out all to buy alcohol. Another group had to sell all to meet the current consumption needs, because their heads did not like to work. Bad habits of such household heads affected around 13% of the sample (Table 2).

Responses on the reasons of poverty varied significantly among different regions. While family break-up due to land distribution was the major cause of poverty for 53% respondents in Comilla, it was only 28% for Jamalpur region. Similarly, whereas 64% respondents from Rangpur region stated that they inherited poverty, only two percent

of the respondents in Comilla region mentioned it. The effect of river erosion was highest for Faridpur considering both single and multiple responses. Twenty-two percent of the sample in Faridpur mentioned it while 10% found it as the main reason for their present poverty. Among other regions respondents mentioning this factor varied from 5% to 7% considering multiple responses.

With regard to responses on whether the inherited poverty made any significant impact on their current poverty level, results varied significantly from region to region, 1.2% in Comilla to 43.2% in Faridpur considering single response. Results of multiple response it provides a broader picture on the magnitude of the problem (Table 2). For example, in Rangpur 16% respondents reported that they inherited poverty. But if results of multiple responses are considered it reaches up to 64%, i.e., this proportion of the respondents in the region found it as one of the important causes of their present poverty status. Frequencies of responses in this respect were also higher in Jamalpur and Bogra - 43.6% and 33.2% respectively.

Flood or high inundation due to heavy rains affected 46% and 21% of the population in Comilla and Jamalpur respectively, while for other regions its effect was less – up to 4%. Some bad habits of family's major income earners (mainly household heads), like gambling, drug addiction, alcoholism and so on, also caused downward mobility for 13% of the population. It affected more than half of the population in Rangpur which implied that here for every second household this was a serious problem. Low frequencies in other regions in this respect give an indication that this is mostly an area specific issue.

Loss of income earners made significant negative impact on the lives of the poor in Jamalpur, Bogra and Faridpur regions. Incidental crisis acted as a reason for falling into poverty for a significant number of households in Comilla and Rangpur regions. Dowry was not referred by many in other regions except Bogra. In Bogra 11.2%

pointed out that they have lost their properties by paying dowry for marriage of their daughters/sisters. For six percent respondents in Jamalpur, dowry payment also contributed to their present poverty.

Redistribution of results by considering different land ownership groups as presented in Table 3 show significant variations in the causes of poverty for different land ownership groups. For example, land redistribution caused poverty more to the land rich family and less to the land poor. It has been normally observed that a significant proportion of the landless live in the river banks. That is why erosion of river affects the landless more. Flood and other kinds of natural disasters affected more seriously those who owned only homesteads. No direct relationship was observed between incidental crisis as a cause of falling into poverty and household landholding. On the other hand, payment of dowry was found to be a problem for the relatively better-off. It has been found that when 11.3% of the households owning both homestead and cultivable land suffered from dowry payment, the number of sufferers was only 5.5% among the absolute landless and those who own only homesteads. Bad habits of household heads were the causes of poverty for the absolute landless and for those without any cultivable land. It may be so because the poor, who could not satisfy their personal and household needs are getting frustrated and becoming addicted to such bad habits like alcoholism, gambling, etc. It could be the other way round. To understand this further study is necessary.

Analysis of different food deficit groups shows significant differences among the responses. Family break-up due to land redistribution affected the deficit group more. The effect of river erosion was found to be more or less similar among all groups. Flood, high inundation, ill health and other incidental crises affected the deficit households more. Dowry payment affected an insignificant proportion of the population, their distribution among groups was not significant. A significant number of respondents who faced chronic deficit in food during the last one year reported that

the bad habits of their household heads, who were in majority cases the main or only income earners, caused their downward mobility. This problem did not affect the surplus group. Inherited poverty was higher among the better-off households who did not face any such deficit. Since participation rate in the labour force was higher among the vulnerable, death of one income earner did not affect them much. It affected more the relatively better-off due to their higher dependency (Table 4).

Table 5 presents distribution of respondents among different employed groups. In this table a comparative analysis of responses among three employed groups - the underemployed (those who worked less than 300 days a year), full employed (those worked 300 days a year) and the overemployed (those worked more than 300 days) - is done. Results show significant differences in their responses regarding the effect of natural calamities, incidental crisis, bad habits of the household heads and the effect of loss of income earners. Natural calamities affected the over-employed group most. Incidental crisis was reported by higher proportion of underemployed households. Bad habit of the household heads also affected the under-employed group and loss of income earner affected the over-employed group.

Discussion and conclusions

There is a common understanding that the poor are poor because they have been born and brought up in poor families. Usually poverty in the rural areas is measured by the landholding status. The skewed land distribution system goes back to the historical past of the *Zamindari* system[1] which created a high inequality between the poor and the non-poor all over country. Higher population growth rates and the existing land tenure system, that do not favour the land-poor, also add to this. High frequency of responses related to land confirms the above discussion.

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[1] *Zamindari system is a land ownership system that was introduced by the British colonial rulers in India about two centuries ago. The system led to a serious polarization in rural India, where all land was*

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Causes of poverty vary from region to region. Traditionally, Faridpur is considered as the ultra poor area. It is mainly a single crop area where the yield gain is very poor. The skewed land distribution system and the low productivity of land raise the inequality between poor and non-poor. Considering this into account, the first study on poverty in Bangladesh was conducted in Faridpur in 1910 (Jack, 1916). On the contrary, land in Comilla is highly productive, annually two to three crops or more can be obtained from one specific piece of land. While 43% of the respondents in Faridpur reported that the primary cause of their present poverty, the highest among all regions, was their poverty inheritance, none in Comilla mentioned it as the primary cause of their present poverty.

Variations among responses on factors other than land in different regions were due to differences in agro-ecological situation of specific region, existence of certain norms and values, etc. For example, Comilla and Jamalpur are low lying regions and, therefore, natural calamities like flood or heavy rain affect these regions more severely than other regions. On the other hand, Faridpur is a riverine area where one-fifth of the respondents reported that they lost everything due to river erosion and became poor. On the other hand, addiction to different harmful activites of household heads like gambling and alcoholism affected half the respondents in Rangpur region. Dowry payment was one of the important influencing factors for respondents in Bogra and Jamalpur. Disease and other incidental crisis had a negative impact on the lives of people in Rangpur and Jamalpur region. For those who faced frequent food deficit, those highly depending on wage laboure and those who worked longer period of time, loss of income earners affected them severely.

Differences in the causes of poverty for different region indicate that to alleviate poverty any single anti-poverty intervention programme will not be equally effective

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concentrated to the hands of a small class of land-owning people called Zamindars and the bulk of the

for all regions. The programme should be developed based on specific needs of the region for which it is planned. To make the programme more effective a detailed knowledge on the root causes of poverty of the given region will be very helpful.

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peasantry devoid of any land toiled under their Zamindars in the harshest conditions.

Table 2. Distribution of households of different regions by their causes of poverty (considering multiple responses)

Reasons for becoming poor	Rangpur		Comilla		Bogra		Jamalpur		Faridpur		Total		Signif. level	
	First	All	First	All	First	All	First	All	First	All	First	All		
Land redistribution due to family break-up	40.8	40.8	52.8	52.8	32.8	32.8	26.8	27.6	17.4	32.4	40.1	41.1	p<.01	p<.01
River erosion	6.4	6.8	4.4	5.2	7.2	7.2	5.6	6.8	10.0	22.0	6.7	9.6	ns	p<.01
Flood/ high inundation /hurricane	-	0.4	35.2	46.0	2.4	2.4	4.0	20.8	0.4	3.6	8.4	14.7	p<.01	p<.01
Incidental crisis/diseases	10.4	26.8	4.8	48.0	5.6	7.2	7.6	11.2	3.2	4.8	6.6	20.6	p<.05	p<.05
Dowry	1.6	4.0	-	4.4	5.2	12.4	1.6	6.0	0.4	1.6	1.8	5.7	p<.01	p<.01
Bad habit of household head	20.4	51.6	0.8	1.2	5.2	5.6	0.4	1.2	0.4	0.8	5.5	12.9	p<.01	p<.01
Inheritance	16.4	63.6	1.2	2.4	25.2	33.2	21.2	43.6	43.2	45.2	18.4	32.9	p<.01	p<.01
Low income due to loss of income earner	1.6	4.4	-	4.8	10.0	25.6	26.0	61.6	8.4	20.4	6.9	22.6	p<.01	p<.01
No response	1.4	9.6	0.8	2.4	6.4	10.4	6.8	17.6	1.6	3.6	5.5	10.3	p<.01	p<.01

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Table 3. Distribution of responses on the causes of poverty by different land ownership groups (considering single and multiple responses)

Reasons for becoming poor	Landless	Only homestead	Homes.+cu lt.	Total
Land redistribution due to family break-up	33.8	36.9	58.1	41.1
River erosion	16.4	7.9	4.8	9.6
Flood/ high inundation /hurricane	2.5	18.6	9.7	14.7
Incidental crisis/diseases	14.9	21.7	17.7	20.6
Dowry	5.5	5.4	11.3	5.7
Bad habit of household head	14.2	12.3	-	12.9
Inheritance	40.0	38.4	14.5	32.9
Loss of income earner	25.8	22.7	22.6	22.6
Else	5.8	9.1	16.1	10.3

Table 4. Distribution of responses on the causes of poverty by food deficit status (considering multiple responses)

Reasons for becoming poor	Chronic deficit	Occasional deficit	Break-even	Surplus	Significance level
Family break-up and land redistribution	35.5	53.6	20.9	10.3	$p < .01$
River erosion	8.9	12.1	9.4	5.1	ns
Flood/ high inundation /hurricane	15.7	18.7	4.3	-	$p < .01$
Incidental crisis/diseases	24.3	14.5	7.2	7.7	$p < .01$
Dowry	5.7	6.6	4.3	2.6	ns
Bad habit of household head	17.2	4.2	2.9	-	$p < .01$
Inheritance	38.4	29.4	47.5	46.2	$p < .01$
Low income due to loss of income earner	19.5	22.1	43.9	35.9	$p < .01$
Else	6.5	8.0	16.5	30.8	$p < .01$

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Table 5. Distribution of responses on the causes of poverty by different employment groups (considering multiple responses)

Reasons for becoming poor	Under-employed	Full-employed	Over-employed	Significance level
Family break-up and land redistribution	37.2	39.9	36.1	ns
River erosion	9.8	8.5	9.7	ns
Flood/ high inundation /hurricane	12.9	9.2	21.6	p<.01
Incidental crisis/diseases	23.5	11.8	13.8	p<.01
Dowry	5.4	6.5	6.0	ns
Bad habit of household head	17.5	5.9	1.9	p<.01
Inheritance	38.9	37.3	34.5	ns
Low income due to loss of income earner	13.4	22.9	48.0	p<.01
Else	8.0	7.2	11.3	ns