

Survey: New poor in Bangladesh stands at 24.5 million

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File photo: People wait for food aid in Dhaka during coronavirus pandemic Mehedi Hasan/Dhaka Tribune

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Despite some recovery, the number of the "new poor" in Bangladesh stood at 24.5 million, or 14.7% of total population, in March due to fallout of Covid-19 pandemic, a latest survey says.

The study estimated that the new poor constituted 21.2% of the total population in June last year, now they constitute 14.7%, still a staggering number.

The survey, titled "PPRC-BIGD Rapid Response Research Phase III: Poverty Dynamics and Household Realities Part 1," was unveiled through an online media briefing in Dhaka on Tuesday.

Power and Participation Research Centre (PPRC) and Brac Institute of Governance and Development (BIGD) jointly conducted the survey.

The organizations carried out the third phase of their Rapid Response Research between April 2020 and March 2021, based on a panel survey of over 6,000 rural and urban slum households across the country.

The percentage of "new poor" among the vulnerable non-poor (VNP) is 50% at present.

A total of 59% "new poor" are in urban slums and 44% in rural areas.

The survey also showed that one year into the Covid-19 pandemic, the poor across Bangladesh are still struggling with their livelihoods and facing emerging vulnerabilities, like mounting debt and dwindling savings. The condition of the urban slum dwellers is especially dire.

According to the findings, households face the second wave crisis with significantly depleted coping capacity -- savings depleted by 24% and 11% in rural and urban areas respectively, debt burden doubled between June 2020 and March 2021 for most groups.

It said income drop for the poor and vulnerable was above 70% immediately after the first wave in March-April 2020.

PPRC Executive Chairman Dr Hossain Zillur Rahman said urgent initiatives have to be taken for urban poor and "new poor" with effective targeting and leveraging technology.

The "new poor" are finding it most difficult to return to pre-Covid occupations and income levels are in danger and stuck in a poverty trap, he said.



One year into the crisis, 50% of the "new poor" have remained stuck in poverty, Dr Zillur said.

The study calls for an urgent national recovery action plan for cottage, micro, small, and medium enterprises, he said.

Rahman also said agriculture has been critical to economic recovery during Covid-19 crisis. A policy mindset shift towards strengthening rural regeneration and a holistic approach to supporting agriculture is a key lesson from the crisis.

The survey recommended that a "smart" lockdown to avoid such a new income shock is both a health and an economic priority.

Dr Imran Matin, executive director of BIGD, said that the persistently high unemployment rate among women, caused by Covid-19, can push many of them out of the labour market — a grave outlook in a country where women's labour force participation is already low.

He also pointed out the large shift to more vulnerable occupations, like day labour, is increasing the livelihood vulnerabilities of the poor.

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According to the findings of the survey, the employment scenario has improved from June, yet 8% of those who were employed before Covid-19 are currently out of work. The trend is particularly concerning for women — a third of the women employed before Covid-19 have remained unemployed since June.

In contrast, male unemployment came down from 16% to 6%. In addition to the unemployment rate among female-headed households being five times higher than men, women also face greater re-entry constraints into labour markets, creating a double burden.

Besides low income and unemployment, the nature of employment recovery has become a major cause for concern. More than a third of those employed before Covid-19 had to change their occupation.

The study finds that the majority have moved to unskilled labour, for example, day labour, from better occupations like skilled labour, salaried jobs, and factory work.

The survey showed that only the agriculture sector has seen positive net growth in income from pre-Covid-19 levels.

The dire state of income opportunities in the cities is probably why migration from urban slums has been the most extreme; a total of 27.3% of urban slum-dwellers have migrated in the last year, of whom 9.8% have not returned yet.