Livelihoods, Coping, and Support during Covid-19 Crisis

Dr Hossain Zillur Rahman | Dr Imran Matin
April 16, 2020
The Covid-19 began as a health crisis but has in time triggered a grave and unfolding economic crisis with particular concerns for the poor and vulnerable. For effective policy response to the poverty consequences of the Covid-19 crisis, the importance of real-time evidence cannot be over-emphasized. Power and Participation Research Centre (PPRC) and BRAC Institute for Governance and Development (BIGD) teamed up to launch a rapid response telephonic survey utilizing respondent telephone databases from earlier surveys on urban slums and rural poor. A total of 5471 respondents were reached through telephone by a combined survey team of 51 from the two institutions. Our deepest gratitude goes to the respondents who agreed to spare the time to talk in their moments of crisis and uncertainty and also the survey team who turned stay-at-home reality into a dedicated field research endeavor. The research is intended to support better policy responses and design of support programs for the vulnerable population. PPRC and BIGD stand committed to continue providing real-time researched evidence towards the goal of more effective policy responses to this unprecedented crisis of our times.

Dr. Hossain Zillur Rahman  
Executive Chairman, PPRC

Dr. Imran Matin  
Executive Director, BIGD
Team Members

BIGD

- Dr. Narayan C Das, Senior Research Fellow
- Dr. Imran Matin, Executive Director
- Shakil Ahmed, Senior Research Associate
- Atiya Rahman, Senior Research Associate
- Tahsina Naz Khan, Research Associate
- Montajina Tasnim, Research Associate
- Nusrat Jahan, Head, Knowledge Management

PPRC

- Dr. Hossain Zillur Rahman, Executive Chairman
- Md. Abdul Wazed, Senior Fellow, PPRC & Former DG, BBS
- Umama Zillur, Research Associate
- Sabrina Miti Gain, Research Associate
- Fatema Mohammad, Research Associate
- Field Research Team
The Study

5,471 HHs

Study Period
4 April - 12 April

Rural: 49%
Urban: 51%

Average family size of the respondents: 4.85

Poverty Classification(%)

- Lower poverty line: 49.1%
- Upper poverty line: 15.5%
- Vulnerable non-poor: 35.3%

Sample Source:

**Urban:** from a census in 2016-2017 of 24,283 slum HHs in 35 slums across 9 districts in Dhaka, Chattogram, Khulna, Barisal and Rangpur

**Rural:** from a nationally representative survey of 26,925 HHs across 64 districts
### Respondent Profile: Principle Source of Income

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>15.7</td>
<td>20.11</td>
<td>17.84</td>
</tr>
<tr>
<td>Wage/Salaried labor</td>
<td>21.66</td>
<td>37.25</td>
<td>29.23</td>
</tr>
<tr>
<td>Casual labor</td>
<td>41.41</td>
<td>39.17</td>
<td>40.32</td>
</tr>
<tr>
<td>Agri/Livestock rearing</td>
<td>16.76</td>
<td>1.05</td>
<td>9.14</td>
</tr>
<tr>
<td>Help/Assistance/Others</td>
<td>4.47</td>
<td>2.41</td>
<td>3.47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Impact on Income and Employment
Impact on Employment

% of main earners rendered economically inactive (Zero income last week)

Overall: 63%
Slums: 71%
Rural: 55%

Lower poverty line: 65%
Upper poverty line: 66%
Vulnerable non-poor: 58%
Impact on Household Income

**Income in February vs. Last Week – Rural, Urban**

- **Urban Slum**
  - Per capita daily income in Feb (BDT): 108
  - Per capita daily income in last week (BDT): 27
  - 75% drop

- **Rural**
  - Per capita daily income in Feb (BDT): 89
  - Per capita daily income in last week (BDT): 33
  - 63% drop

**Income in February vs. Last Week by Income Group**

- **Lower poverty line**
  - Per capita daily income in Feb (BDT): 55
  - Per capita daily income in last week (BDT): 15
  - 73% drop

- **Upper Poverty Line**
  - Per capita daily income in Feb (BDT): 93
  - Per capita daily income in last week (BDT): 23
  - 75% drop

- **Vulnerable Non-Poor**
  - Per capita daily income in Feb (BDT): 161
  - Per capita daily income in last week (BDT): 55
  - 66% drop
Food Insecurity
Drop in Per Capita Food Expenditure (in BDT)

<table>
<thead>
<tr>
<th>Category</th>
<th>Per capita food expenditure in a typical day (BDT)</th>
<th>Per capita food expenditure in last week (BDT)</th>
<th>Drop Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Slum</td>
<td>60</td>
<td>44</td>
<td>28% drop</td>
</tr>
<tr>
<td>Rural</td>
<td>51</td>
<td>39</td>
<td>23% drop</td>
</tr>
<tr>
<td>Lower poverty line</td>
<td>47</td>
<td>34</td>
<td>27% drop</td>
</tr>
<tr>
<td>Upper poverty line</td>
<td>55</td>
<td>40</td>
<td>28% drop</td>
</tr>
<tr>
<td>Vulnerable Non-poor</td>
<td>67</td>
<td>52</td>
<td>23% drop</td>
</tr>
</tbody>
</table>

Per capita food expenditure in a typical day (BDT) and Per capita food expenditure in last week (BDT)
Nutritional Impact

*Households having 3 meals in a day: % Drop*

- **Urban Slum**
  - Typical Day: 97
  - Last week: 74
  - 24% drop

- **Rural**
  - Typical Day: 99
  - Last week: 84
  - 15% drop

- **Lower poverty line**
  - Typical Day: 98
  - Last week: 73
  - 25% drop

- **Upper poverty line**
  - Typical Day: 97
  - Last week: 78
  - 20% drop

- **Non-poor**
  - Typical Day: 98
  - Last week: 88
  - 11% drop
Nutritional Impact

Coping through reduction in food consumption

% of HHs who Reduced Food Consumption

<table>
<thead>
<tr>
<th>Category</th>
<th>% of HHs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Slum</td>
<td>47</td>
</tr>
<tr>
<td>Rural</td>
<td>32</td>
</tr>
<tr>
<td>Lower poverty line</td>
<td>41</td>
</tr>
<tr>
<td>Upper Poverty Line</td>
<td>41</td>
</tr>
<tr>
<td>Vulnerable Non-poor</td>
<td>35</td>
</tr>
</tbody>
</table>
Coping
How Respondents Are Meeting Their Food Needs (% of HHs)?

**Personal**
- Household Income: Urban Slum 24, Rural 37
- Savings: Urban Slum 67, Rural 82
- Borrowing: Urban Slum 52, Rural 36
- Reducing food: Urban Slum 47, Rural 32

**Social**
- Selling asset: Urban Slum 1, Rural 4
- Friends/neighbours/relatives: Urban Slum 11, Rural 25

**External**
- Government support: Urban Slum 14, Rural 5
- NGO support: Urban Slum 5, Rural 0
How Many More Days Respondents Estimate They Can Feed Their Family with Available Income, Savings, and Food Stock (as of April 12)
Support
Need Assessment

Respondent view on type of support needed: Food & Cash

- Food Support (% of hhs)
  - Rural: 71
  - Urban Slum: 78

- Cash Support (% of hhs)
  - Rural: 68
  - Urban Slum: 70

Graphs showing: Food Support and Cash Support percentages for lower poverty line, upper poverty line, and vulnerable non-poor categories.
# Need Assessment

**Respondent Estimate of Financial Support Package Needed**

<table>
<thead>
<tr>
<th>Respondent Category</th>
<th>Rural BDT per capita per month</th>
<th>Urban slum BDT per capita per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Poverty Line</td>
<td>1,322</td>
<td>1,614</td>
</tr>
<tr>
<td>Upper Poverty Line</td>
<td>1,577</td>
<td>1,908</td>
</tr>
<tr>
<td><em>All poor</em></td>
<td>1,368</td>
<td>1,702</td>
</tr>
<tr>
<td>Vulnerable Non-poor</td>
<td>1,845</td>
<td>2,214</td>
</tr>
<tr>
<td><em>All</em></td>
<td>1,535</td>
<td>1,868</td>
</tr>
</tbody>
</table>
Is What They Want Justified?

Comparison between decrease in income and support requested

- Monthly per capita decrease in income because of COVID-19
- Gap between lower poverty line and monthly per capita income
- Gap between upper poverty line and monthly per capita income
- Average monthly support asked by all

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban slum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in income</td>
<td>1,577</td>
<td>2,314</td>
</tr>
<tr>
<td>Support requested</td>
<td>1,287</td>
<td>1,669</td>
</tr>
<tr>
<td>Gap (lower poverty)</td>
<td>1,653</td>
<td>2,430</td>
</tr>
<tr>
<td>Gap (upper poverty)</td>
<td>1,535</td>
<td>1,868</td>
</tr>
</tbody>
</table>

Monthly income and support comparison for rural and urban slum areas.
### How Much is Needed to Support the Poor?

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita support asked by the poor</td>
<td>1,368</td>
<td>1,702</td>
</tr>
<tr>
<td>Total poor people in the country</td>
<td>26,964,530</td>
<td>11,192,139</td>
</tr>
</tbody>
</table>

# of poor people calculated based on total population of the country (161.3 million as of 2018, source: World Bank) and Rural and Urban poverty rates of 26.4% and 18.9% in 2016 respectively (Source: HIES, BBS)

Supporting ONLY the Poor will require **BDT 5,594 crore per month**
Policy Implications
Findings highlights:
3 indicators of vulnerability

- **Income drop:** above 70% drop in income for all extreme poor, moderate poor and vulnerable non-poor alike

- **Economic inactivity:** 71% in urban, 55% in rural; 50% for poor, 40% for vulnerable non-poor

- **Reduced consumption:** 40% poor, 35% vulnerable non-poor
Covid-19 impact is on both poor and ‘new poor’

‘New poor’ are those who used to be 40% above poverty line but now has gone below poverty line

Food insecurity has started with nutritional decline but crisis to intensify by end-April

Because impact is broad-based, immediate safety net has to go beyond targeting and prioritize self-targeting vehicles such as Open Market Sale (OMS)

5600 crore taka immediate 1-month food security support package for the poor to be supplemented by an additional package for new poor