

# **The Economic and Social Processes influencing the Level and Nature of Chronic Poverty in Urban Areas**

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## **1. Introduction**

The objective of this paper is to review the economic, political and social processes influencing the nature, extent and depth of poverty in urban areas of the South. The task is primarily descriptive, seeking to summarise what is already known about these processes and to demarcate significant components of chronic urban poverty in the South. Due to the relative newness of the field, it seeks to draw on a wide range of literature in order to understand the issues. The discussion is tentative about the scope and depth of the findings.

The strategy is to draw together insights from a wide range of disciplines, and city and neighbourhood studies. Inevitably some experiences will be left out – the discussion seeks to represent either experiences that are most commonplace or those whose exceptionality informs the reader and develops our understanding. At the same time as providing an overview, the discussion argues that poverty can arise within, and be aggravated, both by the physical nature of the home and neighbourhood and by individuals (and households) position in the labour and commodity markets.

It should be recognised immediately that there is a significant information problem. First, there are few data sets allowing quantitative analysis. Second, there are relatively few qualitative analyses that differentiate between groups of the urban poor, including distinguishing between chronic poverty and other kinds of poverty. The literature, almost universally, deals with highly aggregated groups of the urban poor. Third, what is written suffers from a lack of comparability; it is difficult to say if different findings are caused by different approaches or by different realities. Fourthly, urban poverty is almost invariably defined by income. But, as argued in Section 4, we know that this approach may be misleading.

The discussion begins by considering what is chronic poverty. The Chronic Poverty Research Centre (CPRC) has developed a working definition. This is summarised and considered in the context of urban poverty in Section 2.

It is widely recognised that the world is urbanizing. However, much less attention is given to the nature of the urban change that is taking place. This is considered in Section 3, and the discussion suggests that chronic poverty in urban areas is much more complex than the visible problems of acute need in inner cities. It is likely that the urban chronically poor live in diverse economic and political situations, facing different livelihood opportunities and different physical conditions. Furthermore, chronic poverty may be caused by the process of transition from rural to urban rather than the specific conditions in any particular urban settlement

The recognised scale of chronic poverty has to be understood in relation to measurement strategies. Section 4 discusses the problems of measuring urban poverty. In particular, it considers why many existing monetary estimates of poverty in urban areas may be too low. Sections 5 and 6 then consider the nature and extent of chronic poverty in urban areas. Section 5 takes a spatial perspective examining poverty by the nature of the urban settlement. Underlying this analytical framework is the supposition that the nature and incidence of poverty is partly related to the nature of the urban settlement. The Section is sub-divided to consider inner cities, city peripheries, small towns and refugee settlements. The following Section then analyses the chronically poor by social group. Underlying this analytical framework is the recognition that social discrimination and capabilities may influence participation in the labour market. Some groups have more opportunities offered to them and

are better able to take advantages of opportunities. The groups that have been identified and that are considered in this Section are the old, young, women, badly paid, informal workers, and those with physical and mental illness, impairments and disabilities.

The concluding section considers a number of issues that have emerged through the discussion:

- the relevance of the general frameworks of chronic poverty in an urban context;
- the complexity of chronic poverty in urban areas;
- reflects on understanding chronic poverty through the strategies of avoidance used by the urban poor; and
- and finally identifies some future research priorities.

## **2. Understanding chronic poverty**

This Section summarises some of the key points made by Hulme, Moore and Shepherd (2001) in the second CPRC Working Paper, “Chronic poverty: meanings and analytical frameworks.” The discussion and analyses in this paper provide a starting point for the discussions that follow. Hulme, Moore and Shepherd (2001, 10) argue: “The defining feature of ‘chronic poverty’ is its extended duration. Poverty that is both severe and multi-dimensional but does not last a ‘long’ time, is by its nature, not chronic.” As noted by Hulme, Moore and Shepherd (2001, 6) there several ways in which poverty can be measured. In particular, three approaches are recognised:

- money-metric measures (lack of income, expenditure or consumption);
- basic needs (primarily water, shelter and food but including assets such as health and education); and
- basic needs with the addition of other assets

For each approach, it is possible to identify a group that might be termed the chronically poor.<sup>1</sup> Whilst it is possible to designate the chronically poor only in terms of income, Hulme, Moore and Shepherd (2001, 6) argue that this approach is insufficient and the chronically poor are “... likely to be poor in several ways, not only in terms of income.” In addition to duration, Hulme, Moore and Shepherd (2001, 10) hypothesise that the chronically poor are likely to experience poverty that is severe and multidimensional (i.e. involving more than just income). For the purposes of the research programme of which this paper is a part:

- The duration for which the poverty should endure for it to be chronic is defined as a period of five years. During this period, both those who have always been poor and those who have usually been poor will be included.
- Within this group, the research prioritises those who have experienced particularly severe poverty.

This definition appears to correspond others such as Haddad and Ahmed (2002, 12) who include households whose consumption is always below the poverty line and those whose consumption, on average, is below the poverty line. It should immediately be added that few of the studies discussed below clearly identify the chronically poor (i.e. those who have experienced deprivation in monetary and non-monetary terms for a period of longer than 5 years).

At the global level, Hulme, Moore and Shepherd (2001, 21) have identified a number of groups particularly likely to be in chronic poverty:

- those experiencing deprivation because of their stage in the life cycle (for example, older people, widows, families with young children, children);

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<sup>1</sup> They have also been identified by other terms such as extreme poor, core poor, poorest of the poor, ultrapoor, highly dependent poor (Hulme, Moore and Shepherd 2001, 5).

- those discriminated against because of their social position at a local, regional or national level;
- household members who experience discrimination within the household;
- those with health problems or impairments; and
- people living in remote rural areas, urban ghettos, and regions where prolonged violent conflict and insecurity have occurred.

Hulme, Moore and Shepherd (2001, 23) identify a number of “causes” of chronic poverty that have been identified in the literature. In summary, these are:

- economic: low productivity, lack of skills, “poor” economic policies, economic shocks, terms of trade, technological backwardness and globalisation;
- social: discrimination, high dependency ratios, poor health and HIV/AIDS, inequality, lack of trust/social capital, culture of poverty;
- political: bad governance, insecurity, violent conflict, domination by regional/global superpowers, globalisation; and
- environmental: low quality natural resources, environmental degradation, disasters, remoteness and lack of access, propensity for disease.

Wratten (1995, 27) highlights similar features in an analysis of urban poverty. Drawing particularly on established links between health and acute forms of poverty, she suggests that there are “four interlinked features of urban poverty” that, whilst not being exclusively urban, combine in urban areas in ways that “...intensify the insecurity and life-threatening health risks experienced with poverty.” These four are: environmental and health risks, social fragmentation and crime, negative contact with state and police, and vulnerability arising from commoditisation. These features broadly map onto the causes identified by Hulme, Moore and Shepherd (2001, 23).

Hulme, Moore and Shepherd (2001, 24) suggest that the analytical frameworks identified for the study of chronic poverty may be lacking. What appears to be of potential interest in understanding urban poverty is the distinction made by Carter and May (1999), quoted by Hulme, Moore and Shepherd (2001, 24). This identifies two sets of causes, those with are structurally poor because their assets are insufficient and those who stochastically poor, pushed into poverty by negative livelihood shocks.

The use of a livelihood framework is of growing popularity in the urban sphere (Rakodi with Lloyd-Jones 2002). Beall and Kanji (2000, 3) suggest that such a framework may be lacking as it “... fails to recognise poverty processes, including its reproduction within households and communities and the impact of relational issues in all this.” Wood (WD, 6) further argues that a key weakness of the current “livelihoods discourse” is a neglect of “...inequality, class relations, exploitation, concentrations of unaccountable power and social exclusion as absence of ‘community.’ In other words, an institutional and relational account of risk is missing.” Whilst this may be a criticism that is relevant in some cases, it is not evident that such criticisms are always fair. Social capital is one of the assets considered within the livelihood framework. It is used here as an aggregate term that includes many significant sub-components. Those that emerge as being particularly important are: political capital (especially that relating to access to services and infrastructure) and localised links to immediate communities (sometimes called horizontal or bonding social capital).

An additional framework concentrates on the identification of “freedoms” for the urban poor. Hulme, Moore and Shepherd (2001, 27) note both the emphasis on governance and politics and suggest that some might “... criticise the strong commitment to market economics that is also implicit in the framework.” The concept of social exclusion may also be helpful in understanding the nature of forces that create and maintain chronic poverty (Hulme, Moore

and Shepherd 2001, 27). Hulme Moore and Shepherd (2001, 27) suggest that a distinction between socio-political and socio-cultural exclusion may also be relevant.

This study of chronic poverty in urban areas provides an opportunity to review the relevance of such concepts in this particular sphere and, potentially, identify others of value. The concluding section returns to the relevance of these generalized conceptual frameworks for the study of chronic poverty in urban areas.

Hulme, Moore and Shepherd (2001, 31) refer to four units of analysis: household, individuals, social groups and geographical areas. The discussion below includes all four units but as recognised by Hulme, Moore and Shepherd (2001, 31) there are relatively few analyses that deal with the impacts on individuals within household relationships and differential access to income and assets. Beall and Kanji (2000, 1) note the broader difficulties of defining households and it should be recognised that the phrase is used somewhat loosely below. This is because many studies refer to households without given clear definitions of what is meant by the term.

In the discussion that follows, the term poverty is used cautiously. It is simply not possible in most discussions of urban poverty referenced below to separate the chronically poor from those experiencing less intense or lasting poverty. In the literature, the term urban poor is used very generally, often with a spatial meaning (living in a low-income settlement) rather than one related to other characteristics such as low-income, unmet basic needs and lack of political voice. We already know that some residents of low-income settlements are not poor. A “typical” squatter settlement in Asia, (for example), might include several large houses using concrete blocks and corrugated iron or tiles, many cheaply built houses offering effective protection and security, and some dilapidated shelters in need of repair with their residents clearly lacking in funds. Such a settlement might also include rental shacks, rooms or sleeping spaces (see Box 2). Equally discussions that consider generalised definitions of “vulnerable” social groups might usefully recognise that not all in the group may be poor and/or at risk.

### 3. Understanding urban trends

Underlying the growing significance of urban poverty is a trend towards increasing numbers of people living in urban areas. Table 1 below summarises the present urbanization trends:

**Table 1: Percentage of the population that is urban by region**

<b>Region</b>	<b>1950</b>	<b>1970</b>	<b>1990</b>	<b>2000</b>	<b>2010 (projected)</b>
World – urban population (millions)	751	1357	2286	2862	3514
World – percentage living in urban areas	29.8	36.8	43.5	47.2	51.5
Percentage of world’s urban population living in					
- World	100	100	100	100	100
- Africa	4.3	6.1	8.6	10.3	12.1
- Asia	32.5	37.0	44.8	48.1	50.8
- Europe	38.3	31.3	22.8	18.7	15.3
- Latin America and the Caribbean	9.3	12.1	13.7	13.7	13.4
- Northern America	14.6	12.6	9.3	8.5	7.8
- Oceania	1.0	1.0	0.8	0.8	0.8

Source: United Nations (1999), World Urbanization Prospects: The 1997 revision, data tables and highlights. Population Division, Department of Economic and Social Affairs, United Nations Secretariat: New York.

Whilst inadequacies in census data mean that such figures can only be indicative, the trend is clear. A growing proportion of the world's population are living in urban areas, and increasing absolute numbers of global citizens are urban. (See Satterthwaite (2002, 5-9) for a more detailed discussion of these figures.)

At the same time, the diversity of urban form should be recognised. Whilst some readers may think that urban implies "mega-cities" of 10 million or more, Table 2 shows urban population distribution by size of settlement for each continent. The most significant category of settlement size is that below 500,000 residents, showing that many urban dwellers live in smaller cities. Living in very large cities is the exception rather than the rule. More disaggregated international data showing the significance of smaller cities is not available.

**Table 2: Percentage distribution of urban population by size of settlement**

Region	Percentage urban	More than 10 million	5 million to 10 million	1 million to 5 million	500,000 to 1 million	Less than 500,000
World	47	9.2	5.4	24.7	10.5	50.0
- Africa	37.9	8.1	1.7	25.3	8.1	56.9
- Asia	36.7	11.1	6.3	24.6	11.9	46.1
- Europe	74.8	0.0	7.0	20.3	9.7	63.0
- Latin America & the Caribbean	75.3	15.1	4.9	22.7	9.5	47.7
- Northern America	77.2	12.5	2.9	35.2	10.7	38.7
- Oceania	70.2	0.0	0.0	55.9	0.0	44.1

Source: United Nations (1999), World Urbanization Prospects: The 1997 revision, data tables and highlights. Population Division, Department of Economic and Social Affairs, United Nations Secretariat: New York.

It is rarely appreciated by non-specialists that there is no single definition for what is urban. The United Nations statistics (the universal international source of such information) aggregate a range of national definitions that vary considerably. Satterthwaite (2002, 8) quotes Denis and Bayat (2002) to illustrate the problem thus:

By its 1996 census, 17.5 per cent of the Egypt's population lived in settlements of between 10,000 and 20,000 people which had many urban characteristics, including significant non-agricultural economies and occupational structures. These were not classified as urban areas – although they would have been in most other nations...

The World Urbanization Prospects summarises the definitions used (United Nations 1999). Table 3 illustrates the kinds of approaches taken and the scale of difference between nations. Many definitions are unclear because many countries define "urban" by local government status. In some cases, municipal boundaries are drawn wide, including small villages on the urban periphery. In other cases, municipal boundaries include only the central city areas. Population size may be used to allocate state funding, and the size of city populations may be a political as well as a demographic issue.

**Table 3: Definitions of urban settlements in different countries**

Criteria	Size of settlement only	Size plus further criteria*	Total
Number of residents in the settlement			
- Less than 999 residents	6 countries	2 countries	8
- Between 1,000 and 2,999	30 countries	11 countries	41

- Between 3,000 and 9,999	9 countries	9 countries	18
- Between 10,000 and 19,999	9 countries	2 countries	11
- Above 20,000	-	2 countries	2
Defined according to national regulations	126 countries		126
Not known	19 countries		19

Source: United Nations (1999), World Urbanization Prospects: The 1997 revision, data tables and highlights. Population Division, Department of Economic and Social Affairs, United Nations Secretariat: New York.

\* Such criteria commonly include measures of population density and/or the percentage of the labour force employed in non-agricultural occupations

Table 3 shows that, for those countries that specify the size of settlement within their definition of urban, the most popular size of settlement to define as urban lies between 1,000 and 2,999 residents.

What are the implications for chronic poverty in urban centres? First, we must recognise that the nature of the urban settlement differs considerably and hence it is likely that forms of chronic poverty also differ. Some chronically poor urban residents may live in the centre of larger cities, whilst others may be living in small towns (or large villages) with similar characteristics to those of the rural poor. Second, the process is one of transition. Some of the settlements now classified as urban may have been rural in the last census round. Some such settlements may simply have grown as population has increased. Some groups of the poor may be better able to respond to the new opportunities, others may find it harder to adapt. Third, data from different countries cannot easily be compared.

Finally we should recognise that these trends are neither simple nor uni-directional. As described in Section 5, households may have complex livelihood strategies spanning rural and urban areas. Household and individual livelihood strategies are influenced by more general economic trends. For example, structural adjustment policies have, broadly speaking, favoured the agricultural sector and there is some evidence of urban to rural migration. Fallon and Lucas (2002, 30) note that following the recent economic recession in Indonesia, 6 per cent of "prime age adults" moved from urban to rural areas during 1997 and 8, whilst in the same period half this number moved from rural to urban areas.

#### 4. Measuring urban poverty<sup>2</sup>

Some of the complexities of measuring chronic poverty have already been alluded to. Monetary measures are an inadequate reflection of the multiple dimensions of poverty (Hulme, Moore and Shephers 2001, 6). This Section considers urban dimensions of measuring poverty. The findings of this Section point to the importance of the urban poor's dependence on both labour and commodity markets, and their vulnerability to diseases, accidents and damage to assets as a result of poor living conditions.

Jonsson and Satterthwaite (2000, 1) argue that aggregated international and national figures underestimate the degree of poverty in urban areas:

If the term poverty is taken to mean human needs that are not met, then most of the estimates for the scale of urban poverty in Africa, Asia, Latin America and the Caribbean appear too low. For instance, a publication by the Overseas Development Council in the USA in 1989 decided that only 130 million of the Third World's "poorest poor" lived in urban areas. This means that more than nine out of ten of its urban population were not among the poorest poor (Leonard 1989). World Bank estimates for 1988 suggested that there were 330 million "poor" people living in

<sup>2</sup> This section draws on Mitlin and Satterthwaite (2002) and Satterthwaite (1997).

urban areas (World Bank 1991); ie. more than three-quarters of the Third World's urban population were not "poor" on that date.<sup>3</sup> The 1999/2000 World Development Report (World Bank 1999) suggested that there were 495 million 'urban poor' by the year 2000 which means that three quarters of the urban population are 'not poor'.

These figures do not fit with the many national and city studies which show that one-third to one-half of a nation's urban population or a city's population have incomes too low to allow them to meet their needs. National studies in many of the poorest African, Asian and Latin American countries suggest that more than half the urban population are below the poverty line

Among monetary measures of poverty, the Millennium Goal Standard of one US dollar a day has become an important benchmark by which the extent of poverty is assessed. However, it pays little attention to differences in the expenditure patterns of different groups of the poor or to the cost differences faced by different groups.<sup>4</sup> As argued below, there are three reasons that suggest that urban dwellers earn more and spend more:

- **Higher prices:** some goods are more expensive in urban areas especially larger and/or more prosperous cities. There is extensive evidence to suggest that, in general, prices are higher in urban areas (although the price of specific items may be lower).
- **Commodification of goods meeting basic needs:** some goods have to be purchased in urban areas which may not be marketed in rural areas (for example, fuel and shelter). Many empirical studies have shown the high costs paid by particular urban groups (or those living in particular settlements) for non-food essentials.
- **Additional needs:** urban dwellers experience some costs that are not incurred by rural dwellers. The case is particularly strong in relation to health risks and vulnerabilities. As noted below, high densities increase health risks. Location of housing on precarious land may result in choices with high risks of flooding, damage through mud-slides, and/or high repair bills through using sub-standard materials. Other costs may be related to the nature of labour markets, such as clean smart clothes for work.

#### 4.1 Higher prices

Srinivasan (2001, 161) emphasises the importance of recognising that the "...the choice of price index matters" in computing poverty estimates. The evidence suggests price levels differ between rural and urban areas, **and** that price levels differ between urban centres. For example:

- Deaton and Tarozzi (2000, 21) suggest that prices in urban areas were 15.6 per cent higher than in rural areas; they add "...For All India, the "official" urban prices are higher than rural prices by 40.8 per cent... and the official urban premium varies across states from a high of 65.2 per cent in Andhra Pradesh to lows of only 15.3 per cent in West Bengal and is actually negative in Assam."
- The cost of living in Cebu, a major city in the Philippines, is 89 per cent of that of Metro Manila (World Bank 2001, 91-2).

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<sup>3</sup> Assuming around 1.35 billion urban dwellers in the South on that date; see UNCHS 1996

<sup>4</sup> Deaton (2001, 138) notes that "in the World Bank's calculation of the number of poor in the world, separate urban and rural [price] indexes are used only for India and China. In other countries, a single index does service for everyone, an expedient that must overstate rural relative to urban poverty." However, as the recent debate between Reddy and Pogge (2002a, 2002b) and Ravallion (2002) shows the issue is even more complex. Reddy and Pogge (2002a, 8-11) argue that what the base poverty lines used, the PPP conversion is misleading because it is not based on a "basket" of goods consumed by the poor (but on general consumption). Ravallion (2002) raises the issue of what might be considered to be the "right" basket. The discussion here suggests that different baskets would be required for urban and rural areas.

- Glewwe and McKay (quoted in Jonsson and Satterthwaite 2000, 28) suggest that the prices in smaller cities are 16-30 per cent lower than in Abidjan (Cote d'Ivoire).
- Kironde (1995, 83) notes that in 1991 the income required for 2000 calories a day was 19.7 per cent higher than rural areas in towns outside of Dar es Salaam and 98.2 per cent higher in Dar es Salaam.

This suggests that generalised price indices, even urban and rural price indices that aggregate across regions and cities, may be misleading us about the extent of urban poverty if they are used to make crude adjustments to income levels in order to calculate the numbers living in poverty.

#### **4.2 More marketed goods**

In addition to the prices of many goods being higher in urban areas, it is accepted by many that urban dwellers spend a smaller proportion of their income on food because they have other essential costs (see, for example, Rakodi 2002, 11). Once more, examples illustrate the issue:

- Dhanani and Islam (2002, 1218) quote a Central Bureau of Statistics survey (1996) in Indonesia that showed: "...urban households in the neighbourhood of the poverty line spent 37 per cent of their total consumption on nonfood items, while the corresponding figure for rural households was 31 per cent." Dhanani and Islam (2002, 1217) themselves estimate that rural non-food costs are only 81 per cent of urban non-food costs.
- In India, urban food expenditure (averaged across all households) was estimated to be 67.6 per cent of total expenditure in the 43<sup>rd</sup> round (1987/8) falling to 63.4 per cent in the 50<sup>th</sup> round (1993/4) whilst rural food expenditures were 74.6 and 70.7 respectively; this is "...to be expected if urban areas are somewhat better off, and because of the relatively greater importance for urban consumers of items such as housing and transportation" (Deaton and Tarozzi 2000, 19).
- Government of Mozambique (1998) finds that poor rural dwellers spend 30 per cent of their income on non-food items whilst for urban dwellers the figure is 38 per cent. Low-income households spend a higher proportion of their income on housing, energy, transportation, household items, education, health care, personal items and transport in urban areas.

Both urban and rural households have to spend money on housing and basic services but markets that are not commoditised in rural areas may be commoditised in urban locations. Competition for scarce resources may also increase prices. Urban households may face particularly high costs related to:

- Housing – housing markets can be expensive even for those that squat. Payment may be required to community leaders, those who manage the land or local "strongmen."
- Basic services – the costs of water and sanitation may incur further charges. Densities in some settlements (or a high proportion of tenants) may preclude on-site sanitation facilities such as pit latrines. Water sources and prices may be controlled by powerful individuals.
- Undertaking informal enterprises may require bribes and/or fines when the activities are discovered.

The livelihood strategies of the urban poor may require them to trade in markets that can be ignored by those living in rural areas or smaller human settlements. For example, low-income communities in Cebu City (the Philippines), due to a lack of piped supplies, generally buy vended water at P3-35 per cubic metre (ADD US \$ CONVERSION) and spend an average of 9 percent of their incomes on water (Etemadi 2000, 71). Markets for goods simply may not exist in those smaller centres because of different circumstances. For example, because there is no readily available land within walking distance household pay to rent a

room or to squat on a vacant site. If there is room for a pit latrine or private areas to relieve oneself, who would pay for sanitation? Small scale trading activities may be managed entirely privately in a small settlement or neighbourhood, with the seller visiting her customers individually. But in a larger centre with higher costs and more competition, the returns from such personalised sales may not be sufficient, hence the need to pay for a public space. As illustrated in Bangalore, informal vendors may have to make numerous illegal payments to the police and officials who have “control” over public urban space (Benjamin and Bhuvaneshwari 2001). Payments may also be required for those who want to sleep on pavements and in doorways.

### 4.3 Additional needs

The health conditions of the urban poor have long been a source of concern.<sup>5</sup> There are reasons to believe that some of the urban poor, especially those in high-density settlements, face greater health problems (and associated costs) than rural dwellers. Hardoy, Mitlin and Satterthwaite (2001, 68-9) discuss the multiple environmental health problems for the urban poor including those associated with overcrowding. For example, one of the many problems is acute respiratory infection estimate to account for 3.5 million deaths each year.

Kabir, Rahman, Salway and Pryer (2000, 711) attribute living conditions in a low-income settlements in Dhaka to be one of the factors responsible for poor health and related expenditures in urban areas “... poor sanitation, cramped housing, absence of waste removal, and inadequate ventilation are reflected in high levels of diarrhoeal and respiratory infections.” Sinha and Lipton (1999, 42) suggest that infant mortality in urban areas may be as high as rural areas because of the consequences of environmental conditions. Evidence from a recently completed study of 4,564 households in 31 low-income locations across Nairobi demonstrates the need for a disaggregated analysis in urban areas (African Population and Health Research Center 2002). Under-five mortality was 150.6 in the low-income areas of Nairobi, compared to a national figure of 111.5 (which can be further subdivided into 113.0 for rural areas and 61.5 for Nairobi as a whole) (ibid, 87). The incidence of diarrhoea was considerable higher in low-income areas compared to other areas: 30.8 per cent of children under 3 having had diarrhoea in the two weeks preceding the survey compared to an incidence of 17.1 per cent for rural areas (ibid, 114).

Direct expenditure on health can be high in part because of the high levels of incidence and in part because of the high costs of treatment. Ghosh, Ahmad and Maitra (1994) undertake a study of basic services in low-income settlements in four Indian cities; in one city (Sambalpur), health expenditures are over 40 per cent of total average household expenditure (Jonsson and Satterthwaite (2000, 43). Another study of low-income settlements in Dhaka reported that: “[F]or the majority of households some kind of expenditure on health care each month is the norm ... and healthcare was found to be the largest expenditure in most households after food and house rent” (Kabir, Rahman, Salway and Pryer 2000, 711). A little less than one half had lost income from work through sickness.

With livelihoods dependent on wage labour, the consequences for families of sickness can also be considerable. Sinha and Lipton (1999, 44) quote the National Institute for Urban Affairs (1989) in Bangladesh to illustrate such dependencies: 53 per cent of households are dependent on a single worker and are therefore vulnerable to illness and injury. Kabir, Rahman, Salway and Pryer (2000, 711) summarise the results of a study of 1000 households in Dhaka: 52.2 per cent of men had been ill in the previous 14 days and 66.2 per cent of women. This has implications for the capacity of income earners to meet the immediate needs of the family, and for the inter-generational transmission of poverty. In an earlier

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<sup>5</sup> See, for example, Cairncross, Hardoy and Satterthwaite (1990), *The Poor Die Young*, Earthscan: London and World Health Organization (1992), *Our Planet, Our Health*. In the early 1990s, the Urban Health Programme was established at the London School of Hygiene and Tropical Medicine.

study in Bangladesh, Pryer (1993, 49) concludes "...the relative risk of a severely undernourished child coming from a household with an incapacitated earner was two and a half times greater than from households without an incapacitated earner."

Working conditions may also be very poor. Hardoy, Mitlin and Satterthwaite (2001, 73-4) discuss the many occupational dangers facing the workforce in the South. They conclude: "...various studies show how a high proportion of the workers in particular industries or industrial plants have serious health problems from workplace exposures." Urban poor residential locations close to industrial sites can result in further death, disease and injury. For example, the Bhopal industrial catastrophe in India killed over 20,000 people and seriously injured 120,000 (Dinham with Sarangi 2002, 89).

Urban dwellers may need to pay large amounts in transport if the available residential locations are some distance from the town centre, employment centres and other job opportunities. In larger cities, these distances may be too big to walk. City studies suggest a differentiated pattern depending on livelihood opportunities (see, for example, Bryceson, Maunder, Mbara, Kibombo, Davis and Howe 2002, 22-26).

#### **4.4 Alternative measures of poverty: Basic needs and human rights**

Despite the focus on the World Bank promoted US \$ 1 dollar a day measure of poverty, a poverty line using monetary values may not be the best measure of poverty. Boltvinik (no date, 7) suggests that the World Bank recognises the "...superiority of integrated poverty measurement" (i.e. income plus other basic needs measures) but does not follow this route because of the problems of comparability. Deaton (2001, 145) also suggests that a more broadly based measure of deprivation has much to recommend it.

Boltvinik (no date) argues that implicit in the poverty line approach is the assumption that if a group meets its nutritional requirements (above the poverty line for food) then it is above the minimum standards for other basic needs. However, in numerous Latin American countries this has been seen not to be the case. Many households that are not poor in poverty line terms are poor in respect of unsatisfied basic needs (such as access to water). Boltvinik (no date) and Minujin (1995, 5) argue in favour of a measure of poverty that combines a monetary poverty line with unsatisfied basic needs. The resultant measure of poverty would include both those households whose per capita income is below the per capita poverty line and/or have one or more unsatisfied basic need.

In a study of the Cote d'Ivoire, Grimm and Guenard (2002, 1074) suggest that urban poverty increased by both lack of income and unsatisfied basic needs during 1985-93. Significantly for those seeking to understand poverty; they conclude: "... this study highlights the fact that poverty measured by subsistence conditions can have a different dynamic than monetary poverty" (page 1088).

Satterthwaite (1997 and 2001, 146) argues in favour of an even broader interpretation of poverty that includes measures of exclusion. He identifies eight aspects of urban poverty: inadequate income; inadequate unstable or risky asset base; inadequate shelter; inadequate provision of public infrastructure; inadequate provision of basic services; limited or no safety net; inadequate protection of poorer groups' rights through the operation of law; and poorer groups' voicelessness and powerlessness. Amis (2001, 104-5) verifies such an approach when he reports on the results of a participatory appraisal in India; "household assets and security" together with "being able to avoid dependency" emerge as defining categories for those who are "not-poor". In another participatory study, this time in Mombasa (Kenya), Gatabaki-Kamau, Rakodi and Devas (2000, 31) report that: "The primary reasons for poverty were seen as low income and unemployment, with a few mentions of divorce/widowhood, large family size, poor shelter, food shortage and lack of land and education." Table 4 gives more details about the perceptions of residents of two low-income settlements in Mombasa

(Gatabaki-Kamau, Rakodi and Devas 2001, 70). As can be seen, the comments suggest that poverty is related a lack of access to services and social exclusion as well as a lack of income.

**Table 4: Urban poverty from the perspective of the poor (Mombasa, Kenya)**

Angola Community	Mossi Zongo Community
<ul style="list-style-type: none"> <li>• Unable to eat what one wants</li> <li>• Buying food on credit</li> <li>• Wears the same kind of clothes for a long time</li> <li>• Allowing one’s children to sell on the streets to customers in vehicles (street vendors)</li> <li>• Not respected by people in authority</li> <li>• Not being invited in family discussions</li> <li>• “poverty is in one’s clothes”</li> <li>• Exclusion from key positions</li> <li>• Cannot afford school fees</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of access to people in authority</li> <li>• Wears torn shoes</li> <li>• Makes use of toilets or goes to the bush</li> <li>• Queues for a long time before children are attended to by a medical doctor</li> <li>• Cooks only one meal per day for the household</li> <li>• Lives in rented rooms</li> <li>• Children do not go to school</li> <li>• Watches TV in other people’s houses</li> <li>• Lives in a house with co-tenants</li> </ul>

Source: Gatabaki-Kamau, Rose with Carole Rakodi. 2001. Urban Governance, Partnerships and Poverty in Mombasa, *Urban Governance, Partnerships and Poverty Research Working Paper No. 11*, Stage 1 Case Study, University of Birmingham, page 70.

#### 4.5 The scale of urban poverty

For a long time, urban poverty has been relatively ignored. As suggested by Maxwell *et al* (2000, 2) and the special issues of *Environment and Urbanization* in 1995, poverty analysis has suffered from the acceptance of the concept of “urban bias” and a feeling that there was no need to consider urban poverty. For some time, urban poverty has been a contested issue albeit within a relatively muted debate. In Zimbabwe, for example, Alwang, Mills and Taruvinga (2002, 15) argue that “In 1990, virtually no poverty existed in urban areas...” In the same country, but only shortly afterwards, Kanji (1995, 42) reports that the number of urban households eating only two or one meals a day increased from 29 per cent in 1991 to 37 per cent just one year later. De Haan (1997, 3) draws attention to a similar discrepancy in the case of Indonesia with national government statistics suggesting urban poverty levels exceeded rural poverty levels whilst World Bank figures documenting the reverse relationship.

Whilst Rakodi (2002b, 28) notes that it is now more widely accepted that many urban residents do not benefit from urban economic growth, many poverty specialists emphasise the significance of rural rather urban poverty. Such conclusions appear to be based on income measurements of poverty and hence may be misleading, for the reasons outlined above.

It is broadly accepted that the last two decades have been a difficult period for the urban poor in most nations. Rakodi (2002b, 29) also notes that generally speaking “... structural adjustment, as was intended, hit urban areas particularly hard.” Not all analysts are so pessimistic and Amis (2002, 99) argues that there are examples of “...successful trickle down from economic growth.” Analysts are divided about the opportunities available in urban areas. As will be seen in sub-section 6.6, some believe that rural dwellers are more vulnerable because they are dependent on a more limited range of markets, others argue that they can at least fall back on their own production whilst general economic recession may leave some urban dwellers without a source of livelihood.

Haddad, Ruel and Garrett (1999, 2) argue that “Many analysts believe that the locus of poverty and undernutrition is gradually shifting from rural to urban areas.” They study

disaggregated data between urban and rural areas for eight countries, each with information for two points in time and conclude:

In 5 out of the 8 countries, the absolute number of urban poor and the share of poor people living in urban areas is increasing over time (Bangladesh, China, Ghana, Indian and Nigeria). For 7 of the 8 countries the share of poor people in urban areas is increasing (ibid, 8).

Box 1 summarises a number of recent urban poverty assessments studies (that use a variety of poverty measures). Speaking very broadly, urban poverty appears to have increased in the 1980s. The situation has improved in some countries in the 1990s but poverty levels appear to have remained high in other places. Even where improvements have taken place, a significant percentage of the urban poor appear to be very poor. (It should be noted that some of the studies in Box 1 draw solely on monetary estimates of poverty.)

### **Box 1: Estimating poverty in urban areas**

**Accra:** Maxwell, Levin Armar-Klemesu, Ruel, Morris and Ahiadeke (2000, 2) estimate that “In terms of calorific intake, roughly 40 per cent of households in Accra could be classified insecure.”

**Indonesia:** Dhanani and Islam (2002, 1220) report that, as a result of the financial crisis in Indonesia, the percentage of the urban households spending more than 65 per cent of their income on food doubled from 18 to 39 per cent. They also mention that the “...prevalence of wasting among children was very high in early 1999 in the urban slums of Jakarta, Surabaya and Makassar, a situation usually only detected in emergency or disaster situations, and indicative of severe food shortages” Dhanani and Islam (2002, 1220).

**Cote d’Ivoire:** Grimm, Guenard and Mesple-Somps (2002) make a detailed study of urban poverty in Cote d’Ivoire using five (varied) household surveys between 1985 and 1998. Grimm, Guenard and Mesple-Somps (2002, 1074) note that in the Cote d’Ivoire “More particularly, it appears that poverty is no longer considered as being ‘solely’ a rural phenomenon, but also more an more an urban problem. Indeed, during the last few years, the progression of poverty in urban areas has been more rapid than in the countryside... There is a clear association between macroeconomic distortions and the process of impoverishment taken place in urban areas today.” Whilst access to some services such as water and electricity appears to have improved during this period, other conditions worsened. “The proportion of [urban] households in which more than three persons shared a single room increased from 7.3 per cent in 1985 to 10 per cent in 1998.” Grimm, Guenard and Mesple-Somps (2002, 1079).

**Egypt:** Haddad and Ahmed (2002) report on a panel data set from Egypt with 347 households and surveys in 1997 and 1999. Poverty is divided into chronic and transitory poverty. Between 1997 and 1999, real per capita consumption declined by 84 per cent for urban households and 93 per cent for the rural households (these figures only include food related expenditures). Haddad and Ahmed (2002, 10) conclude that 19 per cent of households are always poor: 23 per cent in rural areas and 14 per cent in urban areas. (It is not clear how the poverty line in this case is defined.) On average, 66.7 per cent of the poor are chronically poor with a 2 year criterion. This figure is highest in Upper Urban Egypt at 73.2 per cent (Haddad and Ahmed 2002, 13). Following regression analysis with multiple explanatory factors, Haddad and Ahmed (2002, 16) conclude that “Location in an urban area has no association with chronic poverty but has a negative association with transitory poverty.”

**Dhaka:** Huq-Hussain (1995) suggests that in the early 1990s, some 44 per cent of the urban population in Dhaka were poor, living below the minimum standard of 2,122 calories per person per day.

**India:** In three of four Indian cities, the percentage of household with annual incomes below Rs. 25,000 (1995/6 prices) fell between 1985/6 to 1995/6 from, for Ahmedabad (by 35.2 to 11.4 per cent), Bangalore (36.9 to 22.1 per cent), and Hyderabad (14.7 to 13.5 per cent). In Pune, the percentage rose from 5.3 to 12.3 per cent (Dutta 2000, 17).

**Santiago de Chile:** “The proportion of Sanitago’s population that was “indigent” fell from 9.6 per cent in 1990 to 3.5 per cent in 1998; the proportion below the poverty line fell from 33 per cent to 15.4 per cent.” (Dockerndorff et al. 2000, 171)

**Cebu City:** The poorest of the poor considered to have an annual household income below R50,000 in 1997. This group was 30.6 per cent of the population in 1991 and 16.2 per cent of the population in 1994. (Etemadi 2001, Annex tables A3.3, 3.4, 3.5.)

**Mombasa:** In 1994, it was estimated that 33 per cent of the population had just sufficient to meet a food poverty line at a normative minimal standard taking into account nutritional needs and 8 per cent lacked sufficient income for this minimal standard of food (Gatabaki-Kamau, Rakodi and Devas 2000, 25).

As can be seen from Box 1, there is a paucity of comparative data. In an attempt to address this need, Table 5 brings together findings from a set of urban poverty studies undertaken by the World Bank and coordinated by Caroline Moser. In two of the three cities, a high proportion of the poor are “very poor.” Looking ahead to the discussion in Section 5, the very poor have a higher dependency ratio than the poor and, in two of the three cities, female-headed households are more likely to be “very poor”. (The small sample size may explain why this figure is zero in Commonwealth, Metro Manila.)

**Table 5: The extent of chronic urban poverty and some associated characteristics**

	Percentage poor	Of which the percentage that are very poor	Dependency ratio of very poor - (average for all Hhs)	Percentage of female headed Hh that are very poor
Cisne Dos (Guayaquil, Ecuador) <sup>1</sup>	36.1	41.1	3.4 (2.6)	39.6
Chawama (Lusaka, Zambia) <sup>2</sup>	23.8	30.9	5.4 (3.5)	27.3
Commonwealth (Metro Manila, the Philippines) <sup>3</sup>	20.5	3.5	3.8 (3.3)	0

1. Not defined

2. very poor is defined as an income less than half of the national poverty line

3. very poor is defined as an income less than half of the national poverty line

Source: (Moser 1997, Moser and Holland 1997 and Moser and McIlwaine 1997)

The World Bank (2001) considers aspects of poverty reduction in the World Development Report, *Attacking Poverty*. However, the analysis is overwhelming rural. Whilst a few examples are given that draw on urban experiences, there is little that recognises the diversity of urban poverty and emerging specific characteristics of urban contexts that influence how poverty is caused and how it might be addressed. The level of analysis is, at times, so general it is misleading: for example, the text argues “...poverty tends to be associated with the distance from cities and the coast, as in China, Vietnam and Latin America” (World Bank 2001, 27). Likewise, the assessment that “markets are central to the lives of the poor people” is placed within a discussion of opportunity – with little consideration of the more negative consequences of involvement in the market. Amis (2001, 354) notes that the text does not appear

to use any literature on urban poverty and adds "... it is very difficult not to come to the conclusion that the WDR 2000/1 simply ignores the position of the urban poor."

#### **4.6 Conclusion**

In this Section, I have argued that we cannot easily use generalised monetary-based poverty lines to draw conclusions about the extent of urban poverty. The rationale in using incomes is that they are a good indicator of capacity to meet basic needs and measure well-being. However, measures of income poverty need to take account of the differences in commodity markets between urban and rural areas and within urban areas. Prices are often higher in urban areas and more essential goods may be marketed. Although rarely considered in generalised poverty estimates), to achieve the same standard of health and environmental quality may require higher expenditure due to the lack of services and the high population densities. Furthermore, in urban as in rural areas, money-metric measures may simply fail to pick up many of the dimensions of poverty.

The paucity of our understanding of urban poverty is underlined by a forthcoming World Development special issue (March 2003) which includes analyses of four panel data sets, all exclusively rural and some only including villages (i.e. not including rural towns). The lack of general research data is emphasised by Haddad, Ruel and Garrett (1999, 4) in their overview of poverty and under-nutrition in urban areas.

This overview paper on chronic urban poverty adopts a holistic approach through considering dimensions of poverty in both spatial and social terms. Underlying this division is a belief that, given a fixed income, to be chronically poor in income terms in a high-density settlement with no services results in worse development outcomes than to be chronically poor in a settlement with appropriate service levels. Perhaps more significantly, the required policy responses are different. This division between spatial and social characteristics of the urban poor has received some support from diverse commentators. It broadly corresponds to the three poor groups identified in a participatory poverty assessment in Mombasa: those living in poorly serviced informal settlements, groups of low-income people living in more formal parts of the city alongside higher income groups, and marginalized groups such as homeless and street children (Gatabaki-Kamau, Rakodi and Devas 2000, 18-9). On another scale entirely, the Millennium Development Goals include a special target for urban areas that views poverty in terms of deprivation of infrastructure, services and secure tenure (water is separately considered in another Goal) in addition to more general poverty reduction objectives:

to have achieved by 2020, a significant improvement in the lives of at least 100 million slum dwellers (to be measured by the proportion of the population with access to improved sanitation and the proportion of the population with access to secure tenure).

With respect to existing studies of urban poverty, their heavy dependence on income measures means that it is hard to draw conclusions about the extent of chronic urban poverty. Nevertheless the studies summarised in Box 1 suggest that even using monetary measurements a significant percentage of urban dwellers are chronically poor in many cities. The following two Sections look at who the poor are and at the factors that create and maintain such poverty.

### **5. A Spatial Analysis**

The discussion in Section 4 implies that poverty levels may vary in settlements of different size due to factors such as price levels, the extent of markets and commodification, and the costs (especially health costs) imposed by high-density living without adequate services and

infrastructure. Drawing on this earlier analysis, this Section draws together information about the incidence of poverty and chronic poverty by settlement type.

What differs between different urban “spaces”? There are evident links between settlement type and economic opportunities, equally between settlement type and the provision of the required levels of infrastructure and services. Different areas have different problems and are associated with different opportunities. For example, Benjamin and Bhuvanewari (2001, 15) argue that the central areas of Bangalore are conducive to new migrants but “...there are few opportunities for upward mobility.” Households move to the urban periphery to acquire land and find better opportunities.

The discussion in Section 3 has highlighted the diversity of settlements included within the term “urban.” Many urban dwellers live in smaller centres with the definition of urban including, in many countries, human settlements of 2,500 people and above. In the context of understanding poverty in smaller urban centres, Wratten (1995, 20) argues that rural and urban should be treated as a continuum rather than as two distinct categories. This is both because any distinction is somewhat arbitrary (as noted above, the size of an “urban” settlement differs) and also because there are strong links between areas reflecting individual and household livelihood strategies. Tacoli (1998, 147) notes the complexity of urban - rural links that include people, goods, capital and other social transactions and Benjamin and Bhuvanewari (2001, 106-7) exemplify the links in the case of workers in the central market in Bangalore and villages in Tamil Nadu. From their descriptions, it can be seen that migration is one part of each families’ diversified livelihood structure with considerable investment returning from urban to rural areas for land purchase, and from rural to urban areas for investments in trade and leasing. Kothari (2002, 15) emphasises that migration strategies can only be understood as a part of a much larger strategy – in this case, she notes that the benefits may only accrue to future generations.

Prior to starting on the more detailed spatial analysis, a few general points might usefully be made. As already noted, there is reason to believe that one explanatory trajectory for chronic urban poverty is that between high densities, inadequate services and poor health. The health burden of living with inadequate services, either because they are non-existent or because of over-use, is summarised in Hardoy, Mitlin and Satterthwaite (2001, 39-42). A special issue of the journal *Environment and Urbanization* that looks at health inequalities provides some basis to explore the relationship between location, access to basic services and health outcomes. Arrossi (1996) maps a number of indicators for Buenos Aires (Argentina). The peripheral districts are lacking in basic services and have higher infant mortality (ibid, 51 and 57). Garza (1996) undertakes a similar study in Monterrey (Mexico). The four most peripheral districts of the city had the smallest percentage of incomes exceeding five times the minimum wage (less than 5 per cent of the population) and the poorest living conditions (lack of running water, draining, size of houses and permanence of roofing materials) (ibid, 33). However, a further subdivision of the central areas shows that whilst significant areas of the central district are prosperous, there are also considerable areas of poverty (ibid 38). Hence, it cannot be assumed that chronic poverty is necessarily concentrated in poorly serviced peripheral districts. Health outcomes are likely to be associated with densities as well as services and as noted by Maxwell *et al.* (2000, 4) for Accra, densities can vary considerably from “...20 people per hectare in the new high income areas to as many as 500 people per hectare in the more densely populated low-income neighbourhoods.”

The attributes of urban space are not solely related to the type and size of settlement. Housing sub-markets differ significantly. Whilst there is some association between different sub-markets and locality, a considerable range of sub-markets within each locality. Box 2 illustrates some of the most common housing sub-markets that might be found throughout urban areas. For example, whilst overcrowded tenements are more numerous in central areas,

they are also found in more peripheral areas. The description of these housing sub-markets highlights some of the problems of insecurity and other inadequacies in accommodation.

**Box 2: Some Housing Sub-markets used by the Urban Poor**

Beds rented in dormitories in a cheap room house. “Hot bedding” refers to the practice of bed space being rented and different people occupying the bed during the day and night.

Space rented on pavements with payments to officials and/or those with a claim on the space (for example, shop owners).

Shacks illegally occupying land. Slums are a term often used generally to describe low-income areas, it has a precise meaning in the Indian sub-continent to refer to low-income areas insufficiently provided with infrastructure that have been recognised to exist by the state.

Shacks that are legally occupying land having a rental agreement with the owner but which contravene building or zoning regulations. The land may be within the owner’s own plot, on their roof space, or rented from an absentee owner.

Shacks occupying land under traditional forms of land tenure that may or may not be subject to pressure to commercialise.

Site and service schemes in which land is purchased only with core services.

Rented rooms occupied in larger buildings that may or may not have been designed for multiple-occupancy.

Housing provided by employers.

Source: Drawn from *Environment and Urbanization* 1999 Vol 1, No. 2

What are the implications for poverty? As argued in Section 4, poverty levels are likely to be related to a number of factors including real incomes, levels of commodification in the market for basic needs, the costs of essential goods, and health costs of living at high densities without adequate infrastructure. In this context, how might location affect asset accumulation and asset maintenance? Drawing on Moser (1998) and Rakodi with Lloyd-Jones (2002) we might speculate on the significance of the following characteristics of urban livelihoods:

- physical – nature of the buildings, costs of housing, availability of infrastructure, nature of tenure.
- social – nature of immediate community and their ability to provide support, links to politicians for access to infrastructure.
- financial – access to labour markets and relative trade off between housing and transport costs, cost of living and therefore value of income earned
- human<sup>6</sup> – health situation, access to health and education services, access to labour markets for skill acquisition.
- natural –the quality of the natural environment: opportunities for urban agriculture either for domestic consumption or sale, cost of fuel and opportunities for collection of wood etc.; capacity of land and water table to provide water and to absorb wastes.

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<sup>6</sup> This is further divided by Amis (2002, 99 and 102) into labour and human (health and education) capital.

However, it should be remembered that location may not be considered to be the only significant explanatory factor for an understanding of chronic urban poverty. Maxwell *et al.* (2000, 108-9) argued against the significance of spatially based analysis in a study of urban poverty in Accra; they conclude: “The finding suggests that virtually all of the variation in income in Accra, as well as health and nutrition outcomes, is explained by factors that vary at the household and individual levels and not by community level effects.” (Although an alternative perspective is presented in McGranahan *et al.* (2001). Section 6 examines social and economic characteristics of households and individuals that are unrelated to area.

It is in the smaller towns that are often the first location of rural migrants that this spatial exploration of chronic urban poverty begins; the following sub-sections then examine peripheral areas, inner cities and refugee settlements.

### **5.1 Small towns**

It should immediately be emphasised that there appears to be relatively little information about poverty and chronic poverty in small towns. Whilst there have been a number of studies of small towns (see, for example, Kamete 1998), these have not tended to focus on the very poor but rather on the economic structure of the towns and their hinterland albeit with reference to their residents.

There appears to be some evidence that poverty levels are higher in smaller cities but, as argued in Section 3, such conclusions are based on generalised monetary assessment and must be cautiously considered as they may simply reflect both lower levels of income and lower levels of commodification. A World Bank study in Bolivia (2002 Bolivia, i) notes that poverty estimates are higher in small towns (at two-thirds of the population) compared to big cities (50 per cent of the population). Twenty two per cent of those living in larger cities are “extremely poor” compared to 30.9 per cent in smaller towns (World Bank Poverty Reduction and Economic Management Sector Unit, Latin American and the Caribbean Region 2002, iii). Similar findings are reported in Grimm, Guenard and Mesple-Soms (2002) in their study of urban poverty in Cote d’Ivoire. They suggest that the incidence of poverty (using US \$ 1 a day) was 1.2 per cent in Abidjan in 1998 whilst it was 10 per cent in other cities. Drawing on five households surveys between 1985-98, they conclude “...the incidence of poverty was always higher in other urban centres than in Abidjan whatever the chosen year” (Grimm, Guenard and Mesple-Soms (2002, 1075).

Given general trends towards urbanization, we can anticipate that there may be two groups of the chronically poor in small towns. First, there are those households and individuals who are struggling to adapt to transition such as changes in the economic structure as the area urbanises. Secondly, there are problems of poverty related to the general level of prosperity in the town that are evidently linked to the major sources of livelihood and economic development. In this second respect, the issues related to chronic poverty may be similar to those in rural areas.

A number of authors have stressed the importance of agricultural trading and processing for small town development. In a study of a Lindi (population 40,000), a small town in Tanzania, Lerise, Kibadu, Mbutolwe and Mushi (2001, i) emphasise the importance of agriculture as a source of employment. A significant characteristic of the poor is lack of access to land (primarily land with productive trees, coconuts and cashews) (ibid, 7). Baker (1995, 126-128) analyses the incomes of 100 households in another Tanzanian town (population 20,000) and four surrounding villages. The poorest urban household “... was comprised only of an elderly widower, with no other household support, and a small house garden which provided insufficient income for a livelihood”; his monthly income in 1993 was below US \$ 6. Once more, the urban households with the lowest incomes were those that were completely dependent on agricultural labour and crop production. Higher incomes required non-farm related income earning activities (Baker 1995, 128). Baker (1995, 132) concludes: “...for

urban dwellers, access to agricultural land, in addition to urban employment, is an important element in household diversification strategies.... Poor and vulnerable poverty households were identified as those being economically non-diversified.” The significance of income diversification is returned to in sub-Section 6.9.

The importance of rural to urban transition is highlighted in a study of Himo in northern Tanzania. Diyamett, Diyamett, Hames and Mabala (2001, 8-9) describe the significance of urban occupation of rural land as the city grows and the difficulties faced by rural dwellers, especially those with too few political connections to protect their interests. As population densities increase and there is pressure to find sources of income, other adverse consequences may occur. In Lindi, over-exploitation of natural resources, in this case dynamite fishing, has increased the problems of poor households finding cheap source of protein (Lerise, Kibadu, Mbutolwe and Mushi 2001, 9).

It is difficult to assess the situation of basic services in the smaller towns. Generally, evidence suggests that conditions are poor. In Nachingwea, a low-income settlement in Lindi “... no water has ever come out of the system of water taps laid out in the settlement. Fetching water from other neighbourhoods takes at least one hour” Lerise, Kibadu, Mbutolwe and Mushi 2001, 18). However, there is often considerably less pressure on land and therefore households may be able to settle at lower densities, minimising their health risks for poor services and infrastructure.

More generally, Satterthwaite and Tacoli (2002, 64) discuss some of the issues related to urban transition; they suggest that those most at risk are “...tenant farmers, share-croppers and those who draw resources from open access or common property resources...and those who are unable to take advantage of alternative economic opportunities in the labour market because households and their members lack skills, contacts, capital or freedom of movement.”

## **5.2 The Periphery of Large Cities**

Broadly speaking, urban residents in the larger cities can be divided between those living in generally densely settled inner city areas and those outside of the centre in areas that be broadly grouped together under the urban periphery. As is the case for rural and urban areas, this distinction can be understood as a continuum rather than a precise distinction. Both situations may be associated with informality. In peripheral areas, the urban poor may be able to find land on which they can either squat or secure an informal sub-division of agricultural land. Such settlements are invariably characterised by partial or non-existing basic services. However, we cannot assume that densities throughout the periphery will necessarily be lower than in inner-city areas.

The significance of transition should also be noted in some such areas. Hence the difficulties of rural to urban transition may equally be found in these areas. At the same time, some settlements that were on the periphery of the city become “inner city” areas as the city expands and partial infrastructure becomes overloaded with densification.

As noted above in the papers by both Arrossi (1996) and Garza (1996), peripheral locations tend to be associated with the inadequate provision of infrastructure and services. A further problem associated with peripheral locations is that of transport. A recent study of a number of low-income areas in Karachi found average monthly incomes to be between US \$25-42 (Urban Resource Centre 2001, 224-6). Seventy per cent of household heads interviewed spent between 10-20 per cent of incomes on transport services. Table 5 reports on a recent study of three low-income settlements in Dar es Salaam. The table illustrates the complexity of livelihood strategies. In each settlement, income-generation is overwhelmingly the reason to travel (excluding students at school).

**Table 5: Transport needs and provision in three low-income settlements in Dar es Salaam**

Settlement*	Distance from centre (km)	Distance from major public transport routes	Percentage using buses daily	Reason for bus use	Percentage of income spent on buses
Charambe	20	Up to one hour walk	48	Mostly for livelihood (trading)	14
Mabibo	8	Up to one hour walk	80	Mainly for livelihoods	20
Buguruni	5	5 – 10 minutes walk	Not-known	Mainly for petty trading	4.7

\* Reasons for selection of settlements are given in the city report

Source: Kombe, 2002.

Turning to the provision of water and sanitation, in Bangalore, Benjamin (2000, 39) reports that most low-income areas are in the middle and peripheral areas of the city; the condition of services remains wanting "...**more than half** (original emphasis) of Bangalore's population depends on public fountains, many of which supply contaminated water" (ibid 39). Moser and McIlwaine (1997, 40) in a study of the Commonwealth, a high-density low-income area relatively far out of Metro Manila noted that access to infrastructure has increased in the last decade but quality has declined. In 1992, the poor members of this community spent 26 per cent of their income on services such as water, fuel, transport and education. Non-poor members of the same community spent 16.6 per cent of their income on such services (ibid, 45). Maxwell et al. (2000, 22) report on the lack of services in Accra. In a study of 556 households, 54 per cent only have access to public latrines, 20 per cent have access to private pit latrines, 10 per cent have flush toilets and 16 per cent do not have access to toilets at all. Fifty four per cent receive water from vendors and wells. The cost of using the public toilets is US \$0.01-0.04 per visit but, as significantly, waits of up to 20 minutes at peak times have been reported (ibid, 23).

Amis (2001, 106-7) notes the significance of infrastructure improvements for addressing the needs of the poorest families in settlements. He identifies a number of reasons for the importance of infrastructure: reduced time in obtaining water, improvements in access increasing work opportunities and strengthening social networks, opportunities to use public space for household and economic activities. He adds: "These environmental improvements have a very strong gender dimension with infrastructural impacts being particularly appreciated by women (ibid, 108).

In the context of analysing chronic poverty, it should immediately be recognised that low-income peripheral settlements, as is the case with more densely populated inner city locations, include a variety of income groups. A study of 620 households living in the "precarious settlements" of Abidjan (estimated to house 500,000 people or 16-20 per cent of Abidjan's population) suggests that 70 per cent work in unskilled occupations, 23 per cent work in trades that require "prior apprenticeship" and 6 per cent are office staff or skilled workers (Yapi-Diahou 1995, 13).

It is difficult to generalise about the nature of chronic poverty in peripheral settlements because of such diversity of incomes and service provision. However, a number of studies offer insights into the nature of such poverty and the processes that create and maintain poverty. Box 3 reports on a study of 200 households in Nanjido, a settlement of 1,000 households located on a garbage dump in Seoul. The settlement was deliberately selected to aim an understanding of how poverty is "reproduced" (Ki Kim 1995, 185). As the discussion

in Box 3 shows, income levels do vary but the group includes those who are among the very poor. The settlement also exemplifies the process of urban transition. In 1993, the garbage dump was formally closed as the city was considered to have expanded to the point where this land was no longer on the outskirts and hence dumping garbage was no longer considered acceptable. Nevertheless, the very poor population remains. A recent estimate puts the population at 4,500 with 3,000 people falling within the “welfare population.” (<http://194.185.28.38/it/archi/7mostra/architetti/cho/1.1.2.html>)

**Box 3: Understanding chronic poverty in a Korean settlement of garbage pickers**

*South Korea, by the mid-1990s, was seen as a society in which poverty had been virtually eliminated. However, in Nanjido, three-quarters of household heads were garbage pickers with the remainder being small-scale entrepreneurs or unemployed. Household income levels varied greatly from less than the minimum cost of living to those exceeding the levels of middle class Koreans. Within the 1,000 households living on the site, 72 per cent of household earned less than US\$ 500 a month and 29 per cent earned less than US\$ 300 a month. Sixty five per cent of residents worked for more than 11 hours each day.*

*For those earning less than US \$ 500 a month, food took up 65 per cent of income with expenditure on education and medical costs being 15 per cent and 10 per cent of income respectively. It is only those higher-income households that were able to save. Expenditure on clothing was reduced through using material found on the dumpsite. There were no medical or educational facilities within Nandijo itself. Most residents use pharmacists or free medical services rather than going to hospital to reduce costs. Because of the poor housing environment and strenuous work, the probability of contracting diseases or injuries was high. Accident rates were high because the garbage had to be collected quickly whilst the garbage trucks and bulldozers are still moving. Further problems were caused by contaminated ground water and methane gas explosions within the garbage with the associated risk of fires.*

*The workers dug through the garbage, collected the resaleable items and carried them in sacks weighing between 60-80 kilos. The poor working conditions resulted in high levels of alcohol abuse to “get through the day.” A further problem is exploitation by intermediaries in the recycling industry. The pickers were often paid very little for their work*

*Families sought inter-generational mobility through investing in education. However, a number of problems made it difficult for their children to achieve. Each house was only 13.2 square metres therefore there is little room to study. Nanjido was labelled as a place of “deviants, marginal people or criminals” and therefore the children were alienated at school. Parents did not have time to support their children in their studies and low incomes meant that children are put to work after school.*

*Source: Ki Kim, Ik. 1995. Differentiation among the urban poor and the reproduction of poverty: the case of Nanjido. *Environment and Urbanization*. 7(2): 183-194. With further information from: <http://194.185.28.38/it/archi/7mostra/architetti/cho/1.1.2.html>*

As Box 3 shows, within this low-income settlement there is a group that works long hours, has very little income for multiple reasons and which struggles to equip their children to move out of their economic and social situation. Further studies help us understand the characteristics of the very poor within peripheral settlements. Ruthven (2002, 251) identifies the poorest households from a sample of 57 living in such an area in Delhi. Using a participatory process, 34 per cent of households were identified as being the “poorest” with the following characteristics: “... widow/female-headed household, rickshaw puller, no work security, daily wages, drinker/gambler, bad money manager, rag picker, many small children, chronic health problems, poor dependents in the village, underemployed.” One-third of households had incomes below the World Bank global poverty line of US \$1. However,

emphasising the complexities of poverty assessment, Ruthven (2002, 252) notes that there is only a partial correspondence between that group and the group identified through the participatory research process. Despite limited opportunities due to their peripheral location, many work locally and Ruthven (2002, 253) returns to the importance of transport services when she suggests that they could not afford to travel given their low wages.

The consequences of poor services are felt particularly in regard to health and the discussion in the following section looks at the consequences of injury and ill-health. The incidence of health problems is considerable but unfortunately there are few detailed epidemiological studies. The Orangi Pilot Project in Karachi (Pakistan) noted significant improvements in infant mortality over a ten-year period in which lane sanitation was installed.

### 5.3 Inner cities

At the risk of over-simplification, typical conditions in inner-city areas are higher densities and potentially associated health problems, more opportunities, greater commodification, and potentially more contestation. Levels of service may be higher than in peripheral areas but there is often considerable overcrowding in low-income areas. Benjamin and Bhuvanewari (2001, 99) argue that, in the case of Bangalore, it is the multiple income-earning opportunities for skilled and unskilled labourers that draw the poor to inner city areas. They suggest that the diverse opportunities for income generation help to secure the livelihoods of more vulnerable groups even in recession (ibid, 103). Low-income households in well-located areas that face household or personal crisis may respond by taking in a paying guest or lodger or partitioning part of their room to rent (see, for example, the example of low-income households in Dhaka given in Kabir, Rahman, Salway and Pryer 2000, 716). Whilst rational for the households, this compounds the strain on services, increases population densities and raises the likelihood of health problems.

As noted in Box 2, housing markets are diverse. Many of the lowest income households in inner-city areas may be renting accommodation. At the minimum, this is simply eight hours in a bed to sleep. Harms (1997, 1996-8) discusses the process of deterioration in the central districts of selected Latin American during the 1950s and 1960s. In a more detailed study of the situation in Lima, he finds that 50 per cent of family incomes were below the official minimum wage (ibid, 208); moreover:

The housing situation in the three case study areas is characterized by high levels of overcrowding. One indicator of the degree of overcrowding is the number of square metres of constructed living area per resident. In the three areas studied, the average is 4.2 square metres per resident: less than ten square metres per resident is considered overcrowded.

Dutta with Batley (2000, 42) describe a community living on the riverbanks in Ahmedabad illustrating both poor services and the mix of incomes. Ninety three per cent of 7,512 households surveyed in 1998 had no toilet facilities and 80 per cent had no water connection. Whilst 57 per cent had monthly incomes of less than Rs. 1000, 6 per cent had incomes between Rs.2000-3000. A study of all designated slums in the city demonstrates the patterns between dense inner city areas and less dense peripheral areas. As Table 6 shows, in the inner city there are facilities but they are shared and over used. In the periphery, there are fewer facilities except among the richer houses that have individualised services.

**Table 6: Water connections in designated slums within areas of Ahmedabad**

	No facility	Shared facility	Individual facility
Walled City*	14.3	71.4	14.3
East I AMC**	10.0	65.0	25.0
West AMC**	8.7	60.9	30.4
East II AMC**	40.0	40.0	20.0

East Periphery***	40.0	40.0	20.0
West Periphery***	20.0	60.0	24.4
Total	16.3	59.4	22.8

\* Central area

\*\* Areas surrounding the central area

\*\*\* Peripheral areas

Source: from Mehta and Mehta (1991) quoted in Dutta, Shyam with Richard Batley (2000), Urban governance, partnership and poverty in Ahmedabad, *Urban Governance, Partnerships and Poverty Research Working Paper* No. 16, University of Birmingham, page 53.

Living in high-density settlements with poor services has evident consequences for health. Hardoy, Mitlin and Satterthwaite (2001, 68) suggest that there are likely to be higher incidences of household accidents, acute respiratory infections, tuberculosis and other airborne infections. For example, Sinha and Lipton (1999, 44) quote Tabibzadeh *et al.* (1989) "For instance, the incidence of tuberculosis infection in slums in Abidjan (Cote d'Ivoire) was 3 per cent, higher than the average of 2.5 per cent for Abidjan as a whole and twice the national average of 1.5 per cent." There are further concerns related to food contamination in overcrowded environments with associated risks of diarrhoeal diseases and other water-borne diseases, and intestinal worms (Hardoy, Mitlin and Satterthwaite 2001, 70-1).

What are the further characteristics of those who are chronically poor in inner-city areas? In a comparative study looking at poverty dynamics between 1985 and 1992, Swaminathan (1995) describes conditions of two communities in Mumbai; one living in pavement dwellings at Dimtimkar Road (described in Box 4) and a second living in an area of 39 households belonging to the Markandaya Housing Society in Dharavi (a high-density area some distance from the centre of Mumbai but still well within the metropolis). Income poverty was greatest among the homeless: in Dimtimkar Road, 69.2 per cent of households in 1985 and 38.7 per cent of households in 1992 were below the official poverty line. In both groups, however, the extent of income mobility was limited. In Dimtimkar Road, 18 of the 26 households were below the poverty line in 1985 and eight of these households remain below the poverty line in 1992. Five of these are headed by widows. Of the 26 households, 20 were below the poverty line in one or other period and eight were below in both. Poverty levels of the 39 families living in Dharavi were lower. Seven families were below the poverty line in 1985 and all had increased their income by the next period (although a further seven had fallen below the poverty line).

#### **Box 4: Life on the pavement in Mumbai**

*On Dimtimkar Road, a pavement dwelling is typically a small space enclosed on two sides by gunny sacks or old saris and covered on top by sack-cloth, old sheets of plastic or, occasionally, tarpaulin and held up by a few wooden rods. The walls of the buildings adjoining the pavement provide a third wall to the pavement dwelling. The space available, around four by five feet, is just enough to seat the four or five members of the household. The front of the dwelling, or a part of it, is open, unprotected and faces the gutter.*

*Women from homeless households on Dimtimkar Road reported that they could not get sufficient water to wash themselves every day. Notable features of living conditions – shelter, basic amenities such as water and sanitation and the living environment in general – did not change in any significant way between the two periods among the surveyed households in both areas. There was little change in the living conditions of the pavement dwellers in Dimtimkar Road over the seven years from 1985 to 1992. They remained on their pavements and were threatened with eviction. In May 1992, their shabby lean-tos were pulled down and they had to sleep in the open for three months. There is no public provision - even for drinking water. Residents must choose between open spaces and municipal toilets in the neighbourhood that charge a fee of one rupee a visit.*

Source: Swaminathan, Madhura. 1995. Aspects of urban poverty in Bombay. *Environment and Urbanization* 7(1): 133-143.

Swaminathan (1995, 133) draws on this study to argue that "...poverty and deprivation among Bombay's homeless and slum populations are not captured adequately by measures of income poverty." Whilst Box 4 describes the situation of pavement dwellers, there are others who live on the streets in less organized settlements. Olufemi (1998) discusses the plight of the street homeless in Johannesburg (South Africa). A survey in 1995 identified 1,300 living in shelters or hostels for the homeless and a further 6,152 living rough on the street of which 2,298 were women and 333 were children (ibid, 229 and 230). The street homeless have a recognised vulnerability to health problems and violence. In addition to high-densities, over-stretched services, and potentially precarious sites, inner cities may simply reveal the scale of those in acute need. Harriss-White (2002, 8):

It is in the urban areas that the destitute people become visible to elites. What does the condition of not having shelter disable people from doing and being? It does not prevent them from working. Homeless migrant male workers live from casual de-skilled (often physically very punishing) labour at unregulated wages in order to remit money. They are forced into homelessness to protect their access to work – by the absence of cheap lodging close to their site of work or the need to prevent the theft of their equipment.

A further characteristic of some inner city low-income areas is physical vulnerability. Residents choose to locate in dangerous living conditions because of the need to minimise on transport expenditure and maximise job opportunities. Sanderson (2000, 98) illustrates the problem: "In central Delhi, for instance, a large and notorious squatter settlement has existed within the designated flood plain of the Yamuna River for more than 25 years. The settlement is forced to evacuate at least once a year to the busy roadside whilst their shelters are flooded for upwards of one month." As argued by Hardoy, Mitlin and Satterthwaite (2001, 77) many such communities are aware of the dangers but they do not have the income to afford safer locations.

It should be added that dangerous locations are not unique to central areas. Peripheral areas may also be dangerous. In July 2000, over 200 people were killed in Payatas rubbish dump in Metro Manila, created on the periphery of the city to replace the infamous Smokey Mountain. People locate in dangerous locations to maximise livelihood opportunities in adverse circumstances (Van Vliet 2001, 38). Nevertheless, the pressure on space tends to be greatest in central locations and it is this pressure that results in low-income households moving onto the more dangerous sites.

Those who live on the streets, even in organized communities of street or pavement dwellings, may face a number of related problems. Their lack of address may mean that they are denied ration and/or identity cards. At the same time, natural resources that are free in less contested space are marketed in the larger cities. Harriss-White (2002, 10) "In Delhi public spaces (pavements and parks) are privatised at night by *thiyawalahs* or "bedlords" who erect protective barriers, lay out beds which they rent – along with bedding – and pay off the police." The problems faced by such groups and their relationship to chronic urban poverty is further considered in Section 6.

#### **5.4 Refugee settlements**

War and other forms of violent conflict can have a profound effect on human settlements. It is beyond this paper to note all such effects, however, a number of potential impacts can be summarised. People living in settlements suspected of supporting terrorist activities may be regularly threatened by the police or the army and may struggle to secure effective upgrading strategies. Those settlements may themselves suffer from high level of violence due to

competing political interests.<sup>7</sup> Goodhand (2003, 13) suggests that livelihoods in urban areas may be particularly badly hit at a time of conflict: “Since market based activities tend to be worst affected, conflict may lead to a new class of poor, whilst groups involved in subsistence activities may be less affected.”

Of particular concern to the study of the chronically poor are refugee settlements. Migration from war can result in large urban centres with a particular set of needs and, arguably, highly vulnerable population. Some displaced people choose to locate (sometimes illegally) in existing human settlements but others are located in refugee camps. Whilst many refugee settlements are not commonly recognised as being urban centres, over time some come to be permanent settlements rather than temporary places of security.

In the short (and sometimes longer-term) basic infrastructure and health facilities can be lacking with appalling consequences. The Global IDP Project (2002, 76) report under-5 mortality rates of 240 per thousand in one refugee camp in northern Bahr al Ghazal, Sudan.

In the longer term, there may also be significant problems often related to high levels of dependence on relief and few local economic activities. Okidi and Mugambe (2002, 4) note the problems of internally displaced people in Uganda, noting that there are over 600,000 some of which have been living in refugee camps for five years or more. The Global IDP Project (2002, 130) reports on a similar situation in Sri Lanka. Whilst in this case the centres were small, they note the following problems from prolonged stays: culture of dependence, alcoholism, depression, higher level of suicide, and traumatic stress often with associated physical health problems. Ahmad and El Hassan El Batthani (1995, 205) estimate that there are 1,577,000 people living in Khartoum as a result of being compelled to leave their homes due to war or famine. An estimated 260,000 are living in four official camps (Global IDP Project 2000, 76)

## **5.5 Conclusion**

This brief review of the emerging experiences of chronic poverty in different urban centres highlights some similarities and differences.

First, we can recognise that vulnerabilities associated with illegality are present in both inner city and peripheral districts. In inner city areas, the high demand for land and services means that users of public space both for residential and commercial reasons are likely to have to pay; illegality is a reason for one group (the more powerful) to extract a rent from another group (the less powerful). In peripheral districts, the illegality is generally associated with informal sub-division (or other illegal land holding) and hence a lack of service provision. Whilst there may be no “premium” on payments, the poor have to make do with inadequate and non-existent services supplemented by private provision for those who can afford it.

Second, there are a wide range of health problems related to services, the intensity of their use, the extent of their provision and the living density of families. Such health issues are probably less in smaller towns although there will be exceptions to this generalisation. All indicators point to health being a major issue (and major expense) for the urban poor with multiple sources of disease and injury.

Thirdly, economic conditions, whilst equally difficult, vary. In inner-city areas, there are generally more opportunities for employment but living costs are likely to be higher and there are fewer possibilities for subsistence farming. In more peripheral areas, households also face difficult choices especially in regard to transport costs. For those with no alternative, the

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<sup>7</sup> See, for example, the account of Huaycan, a settlement in Lima whose development was marked contestation between at least eight political groupings some of whom believed in violent resistance against the state and who sought to recruit support in low-income settlements (Arevalo T. 1997).

returns from working in the immediate vicinity of their homes may be very low. Those living in smaller towns may have little diversity of income sources. And, as shown above, without access to land, families may struggle to avoid poverty.

Wherever they are located, the situation of the chronically poor in urban areas is characterised by dependence on markets and on commodities. Whilst urban agriculture is significant in some cities, in other places it is too hard to obtain land. Those who rent accommodation because they cannot afford to secure a plot of land may be particularly vulnerable and find it hard to accumulate assets. In a globalising world that is partly characterised by rapid and volatile investment flows, increased market peaks and troughs are likely to have a negative impact on the ability of low-income households to avoid or escape chronic urban poverty.

A further emerging similarity between the different urban settlements is that they are, at least in part, places of transition. The significance of change is further considered in Section 7 below.

## **6. A Vulnerable Groups Analysis**

This Section focuses on identifying vulnerable groups within society. Such an analysis combines asset and capability perspectives on the causes of poverty. Within any given situation, there are some individuals that are better able to take up opportunities due to a variety of social circumstances and characteristics. It is perhaps surprising that so few studies of urban areas identify and examine groups that might be considered to be chronically poor, or at risk of being chronically poor. In an exception to this generalization, Moser and McIlwaine (1997, 28-9) in their study of Commonwealth (Metro Manila, the Philippines) note that the chronically poor are more likely to live in extended families and have a higher dependency ratio (see Table 4). As individuals, they are more likely to be young, sick, disabled or elderly.

In this Section, we are seeking to provide an overview of characteristics that have been identified as being important in understanding who is chronically poor or likely to be chronically poor. Drawing from the discussion in Section 2, the groups identified here cover a wide spectrum of characteristics associated with poverty including life-cycle, economic factors, social characteristics associated with discrimination, and those with few assets. The groups identified below do not reflect any comprehensive study of the greatest incidence of chronic poverty but simply reflect an emerging set of categories, some of which were pre-determined as the focus of the studies reported below. As such, their inclusion should not be assumed in any specific location and might be reviewed in a more comprehensive analysis of the incidence of chronic poverty.

Beard (2000, 366) argues against a focus on what she terms "...poverty related phenomena such as vulnerability and social exclusion." She believes that poverty should be addressed in its entirety. In such a focus in this Section, we are seeking to increase our understanding of the phenomenon rather than to argue that such a limited focus is sufficient.

Who defines the social characteristics of those at risk of chronic poverty or who are already chronically poor? It should immediately be recognised that many of the attributes discussed here are socially created and are not innate. Hence attitudes to age, youth, gender and ethnicity have a role in determining who is vulnerable and who is not. At the same time, the capacity to avoid poverty is partly influenced by life experiences including access to resources.

A number of authors have further differentiated within the broad category of vulnerability. Hardoy, Mitlin and Satterthwaite (2001, 152-7) differentiate between susceptibility and vulnerability. In this case, vulnerability refers to the "external social, economic or cultural

conditions that increase the risk”; and susceptibility refers to the increased risk “related to endogenous factors such as a person’s nutritional status, the state of their immune system or their genetic make-up” (ibid 156). For example, children are more susceptible because of their relatively immature immune systems to any given levels of exposure. Watts and Bohle (1993, quoted in Prowse 2003) differentiate vulnerability into exposure (or risk of hazard) with capacity (ability to deal with the hazard) and potentiality. It should immediately be recognised that the paragraphs below do not precisely differentiate between such meanings – in part due to lack of space but also because the studies on which they draw do not always differentiate within vulnerability or do so consistently.

### **6.1 Lifecycle groups: the old**

Lloyd-Sherlock (2000, 2158) discusses the growing numbers of old people in the South. He notes that one category of old people that face particularly difficulties are those on fixed low incomes in high-cost cities:

In Buenos Aires, which is currently one of the most expensive cities in the world, the value of the basic pension (received by over 90 per cent of pensioners) was only US\$ 200 a month in mid-1999. As a result, many pensioners obtain the bulk of their income from other sources. A study of older people living in slum districts of Buenos Aires found that although the majority received some form of state assistance, over three quarters of these had at least one other significant source of support: 14% of pensions in the study relied on weekly food handouts from local churches, and 5% resorted to scavenging and begging (ibid, 2161).

Lloyd-Sherlock (2000, 2161) suggests that the problem extends beyond Buenos Aires to other major cities with the dependence on wage labour being a particular feature of the poverty suffered by the old. (It should be added that Buenos Aires is no longer one of the world’s most expensive cities.) A similar characteristic is identified by Barrientos, Gorman and Heslop (2001, 12) who emphasise that old people need to remain in the labour market if they are to secure their livelihood. They suggest that old people have greater working opportunities in countries with a “...large agricultural sector, or where informal employment is widespread” (ibid, 11). The difficult situation faced by older people who have no one to care for them as they becoming increasingly frail is evident. Such people have to work to support themselves until they die.

In some urban centres, the elderly poor return to rural areas. Okali, Okpara and Olawoye (2001, 29) in a study of the Aba region (Nigeria) note the prevalence of old men and women returning to rural areas “... due to retirement, retrenchment or sickness.” This is, they note, always to their rural home base. Lloyd-Sherlock (2000, 2163) emphasises that old people may be particularly vulnerable when traditional systems of support break down and families are not there to take care of them. He notes that: “One clear consequence of social and economic change is that growing numbers of older people are living alone or in small household units”; but he adds that this does not necessarily mean that older people do not receive support from their children.

Emphasising the significance of multiple factors increasing the risk of poverty, the difficult situation faced by old people in urban Indonesia is described in Beard (2000, 370-1). One elderly widow is supporting two grandchildren and a daughter who only works irregularly. The household manages on the grandmother’s wage from being a domestic servant and irregular charitable donations. In this case and many others, the old person is providing for younger dependents and taking care of the family.

In relation to the discussion here and in the following two sub-sections, we should recognise the huge demographic variety across urban centres. In Nairobi, for example, the age group between 20-35 is over-represented in the city (relative to the national population distribution) with both older and younger populations being under-represented (African Population and

Health Research Center 2002, 10). Among adults, there are more men than women in both Nairobi and specifically in the low-income settlements (again relative to the national population distribution). Certain areas of some cities often have a particular concentration of old people. For example in Buenos Aires, many older people are concentrated in certain inner city districts, and impoverished as the real value of their pensions have declined.<sup>8</sup>

## **6.2 Lifecycle groups: children**

Minujin, Vandemoortele and Delamonica (2002, 31) argue that a majority (52 per cent) of those who are poor (by monetary measures) are children. Whilst these are aggregated statistics, it is undoubtedly true that children are a significant group among the urban poor and are likely to be significant among those who are chronically poor. The consequences for children of living in low-income households are sadly predictable. In Bangalore, for example, Benjamin (2000, 40) quotes Kalliath (1992): “There are high levels of malnutrition among children under the age of six living in slums, range from 55 per cent in moderate to severely malnourished category in slums not covered by the Integrated Child Development Services ... to 33.5 per cent in slums that are covered by this programme.” In an overview paper on poverty and undernutrition, Haddad, Ruel and Garrett (1999,5) suggest that comparative urban and rural data are “... suggestive of a pattern of more acute and infection-related malnutrition in urban areas (resulting in wasting), compared to a more chronic and food insecurity-related type of malnutrition (resulting in stunting) in rural areas.” In their own analysis, they conclude that “the number of underweight preschoolers in urban areas is increasing, and ...the share of urban preschoolers in overall numbers of underweight preschoolers is increasing.” (ibid, 9).

Using aggregated statistics, Minujin, Vandemoortele and Delamonica (2002, 36) argue that in Latin America income disparities appear particularly strong in determining access to education. Hence, 60 per cent of children in households in the lowest decile of income do not finish primary education. The consequences for finding work in urban labour markets are likely to be particularly severe.

Many children in very poor urban households work. Hunt (1996, 111-112) reports on a study of children (5-15) living in informal settlements in Bangalore. One-third of the children are waste pickers, 12 per cent are domestic workers, 21 per cent go to formal school and the remainder neither did paid work nor went to school. For those children who are waste pickers, their average earnings at Rs. 10 a day and they work five days a week, seven hours a day. Beall (2002, 77) argues that differential impacts may fall children: “In urban households, strategies to achieve long-term security involve investment in human capital and commonly this is directed at the education of children. When this is not possible for all the children in the household, a common pattern in poorer families is for older children to leave school early and engage in paid work.” Particular groups of children may suffer. Latapi and de la Rocha (1995, 67-8) argue that during the economic crisis in Mexico families responded by increasing women’s participation in the labour market and that of young males (14 and younger). Young males increased their participation in the labour market by 25.9 per cent in the city of Guadalajara.

However, these findings cannot be generalised. Moser and McIlwaine (1997, 38) note that in the Commonwealth (Metro Manila, the Philippines) only 2.5 per cent of children between the ages of 7-15 were working despite low households incomes.

The situation faced by children living in low-income families is acute in many cities. The quotes in Box 5 are from Filipino research into child-friendly cities and reflect the situation of children living near Payatas B in Quezon City, Metro Manila (actually a site adjacent to Commonwealth).

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<sup>8</sup> David Satterthwaite, personal communication.

**Box 5: Childhood in Payatas, Metro Manila**

*Work: Child scavengers like us go to the dumpsite every day after school, and all day on Saturdays and Sundays. We bring a rake, a sack and boots. Also food.... On weekdays, we can collect enough to earn P-20-30 and, on weekends, P80 each day. If we don't go to the site, we won't have an allowance for the next week at school.... Sometimes, accidents happen, like when you get cut by the rake. When that happens, I bandage the wound with a clean strip of cloth. The house of a classmate of mine, also a scavenger, was buried during the landslide and he died. His whole family died, too. I was very sad.*

*School: We have to pay P200 for the parents-teachers association fee, P12 for the test papers every grading period, for our ID cards, P90 if we lose a schoolbook, P290 to buy a special book and even for the toilet.*

*Water: Drinking water is a problem. We buy water from big distributors with delivery trucks or smaller ones with tricycles or carts. It costs P30 a drum.*

*Dumpsite: The main problem here is the garbage. It stinks. It's also dangerous. A lot of children get sick because of the dump – diarrhoea, hepatitis, dengue, wounds, diseases from inhaling the fumes. Those who make a living here should be given jobs so that they won't have to be scavengers. The men could be drivers, masons, or security guards; the women could make cleaning cloths for sale or do babysitting*

Source: Racelis, Mary and Angela Desiree M Aguirre. 2002. Child rights for urban poor children in child friendly Philippine cities: views from the community. *Environment and Urbanization*. 14(2): 97-114.

Street children are often considered to be a group particularly at risk. Somewhat surprisingly, Sinha and Lipton (1999, 42) suggest that street children may not have lower growth status than children from other low-income groups. They quote studies from Jakarta and Kathmandu to show that the lack of growth is no worse in the case of street children and, in some cases, it is better.

In addition to problems related to living in poor families and working at a young age, children may face other hazards. The inability of those with low-income to afford safe homes and neighbourhoods (let alone the chronically poor) has already been noted. Children are particularly susceptible to certain health risks (Hardoy, Mitlin and Satterthwaite 2001, 161-6). They face multiple difficulties including injuries in the home (especially in dense settlements), lack of safe places to play, stress from natural disasters and evictions and, as outlined in Box 5, occupational hazards at work.

A further group is that of young mothers. Maxwell *et al.* (2002, 91) draw on their study of households in Accra (Ghana) to emphasise that urban mothers face special difficulties: "Growing cities such as Accra are characterised by a deteriorating environment and physical infrastructure, a lack of basic services, an increased exposure to environmental contamination and rising poverty levels. Women, who are the primary care providers in most households, increasingly need to generate income. Nearly half of all females older than 10 years of age in this sample were engaged in income-generating activities in addition to their household responsibilities." They go on: "...the majority of care givers took care of their children at all times (65 per cent) and more than half looked after their child when they were working." Maxwell *et al.* (2000, 92) notes that most worked as street vendors to petty trading. The lack of toilets, drinking water and waste disposal means that care givers face particular problems.

The emphasis on the long-term consequences of being a child in poverty and particularly how childhood experiences increase the probability of chronic poverty in later life (intergenerational transmission) are considered by Harper, Marcus and Moore (2003). They argue that the evidence suggests it is difficult for children to “break out of intergenerational poverty cycles” for a multiplicity of reasons (ibid, 7).

### **6.3 Groups facing discrimination: women**

There are several ways in which women may be at greater risk of suffering chronic poverty. First, they may suffer discrimination in a male-headed household. Second, women-headed households may struggle because of the low ratio of income earners to dependents and/or may suffer discrimination in securing land and services. Third, wherever women are living they may face labour market discrimination being paid less and finding it hard to secure work.

Women have both a productive and reproductive role in urban households. Hence the difficulties that arise because of a lack of services and infrastructure fall primarily on them. It is widely recognised that intra-households relations are critically important to an understanding of the nature and incidence of chronic poverty within households. Chant (1998, 8) warns against assuming that households distribute resources equally and notes that gender is one of several sources of discrimination. Kanji (1995, 42) describes how as the economic crisis in Zimbabwe intensified in the early 1990s, urban poor households reduced food consumption. The number of households eating only two or one meal a day increased from 29 per cent in 1991 to 37 per cent just one year later. “The meal which was cut out was the midday meal, usually consumed by women and children, since the man was at work and had either taken food from home or would purchase food at work.”

Moser and McIlwaine (1997, 61-9) look in detail at household inequalities in a low-income neighbourhood of Metro Manila. They note that women spend six times more time than men on non-child care tasks inside and outside the home. Women’s burden is particularly high in extended families. In more than half of households, men contribute their money to household expenses on a daily basis. On average, men only contribute 80 per cent of their income to the household using the remainder for their personal expenses. Almost half the women are worried that given the multiple burdens of their time, they are neglecting the needs of their children.

Hardoy, Mitlin and Satterthwaite (2001, 50) further describe the health problems that women face because of the scale of their household duties such as carrying water. Other health burdens including those related to childbirth, overcrowded housing, poor quality cooking fuel and related air pollution.

In respect of discrimination in the labour market, women appear to work disproportionately in the informal and self-employed sector. House, Ikiara and McCormick (1993, 1207) emphasise that, in a review of urban employment in Kenya, “Over 80% of the female self-employed are sales and agricultural workers.” (Men who are self-employed in Kenyan towns and cities are less concentrated in these two (low-paying) sectors.) Maxwell, Levin Armaklemesu, Ruel, Morris and Ahiadeke (2000, 28-9) also note the association of women with informal employment in “petty trade or street food vending” in Accra. In this study, almost 60 per cent of men’s primary income-generating strategies involve wage labour whereas almost 80 per cent of women’s primary strategies involve self-employment; two-thirds of women’s activities involve petty trading and the preparation and sales of street food.

In Colombia, Gilbert (1997, 26) remarks on the “feminization” of the labour force as the informal sector grows relative to the formal sector and the former has a higher percentage of women employees. There is a broad agreement that, in some countries, women’s labour in the market has become more significant. Hence Dutta and Batley (2000, 24) report that

women's share of the labour market in Ahmedabad increased from 14.1 per cent in 1987/8 to 19.6 per cent in 1993/4.

Moser and Holland (1997, 40) in a study of Chawama (Lusaka, Zambia) argue that women's earnings in the informal sector are generally lower than men; many women are street traders with a relatively low average income of 291 Kwacha whilst two-thirds of men work in as market traders with an average daily income 1,345 Kwacha. Similar differences have been observed in a study in Mexico where the men were typically skilled experienced and earning double what women earn for only 80 per cent of the time at work (Latapi and de la Rocha 1995, 71).

Low wages are a significant problem. In a study of 399 female migrants in Dhaka, 40 per cent were working as domestic servants and 38 per cent were working in the informal sector Huq-Hussain (1995, 57). About 40 per cent (42 per cent of recent migrants and 36 per cent of long-term migrants) did not receive cash income and were paid in kind; a further 21 per cent of recent migrants received less than 200Tk a month and 25 per cent of long-term migrants received less than 200 Tk each month.

How significant are women-headed households and are they more likely to experience chronic poverty? In Accra, an estimated 35.1 per cent of households are headed by women (Maxwell et al. 2000, 19) in their sample of 556 households. Female-headed households are over-represented in the lowest income groups; they account for over 40 per cent of households in the lowest earning quintile and only 23 per cent of households in the highest income quintile (ibid, 36). In Dhaka an estimated one third of poor households are headed by women and 40 per cent of such households belong to the "hard-core poor (Bangladesh Bureau of Statistics 1993 quoted in Huq-Hussain (1995, 52). Amis (1997, 97) argues that, in India, women-headed households are a significant group within the urban poor. However, as shown in Table 4, this is not always the case. In the three studies reported, women-headed households had a lower incidence of the very poor than in the total population. Once more this points out the difficulties of generalisation.

Opinions differ about whether or not women are better off in urban or rural areas. Kanji (1995, 53) suggests: "In many ways, urban women who are unemployed feel more disadvantaged than their rural counterparts." However, Baker (1995) studies one small town in Tanzania, Biharamulo and the four surrounding villages and finds that 29.4 per cent of households in the town are headed by women but only 7.1 per cent in the villages. He suggests that: "What this indicates is that the town offers greater possibilities of employment for females" (ibid 119). Pantuliano (2002, 43) notes the difference in perspectives between men and women among Beira migrants from the Halaib Province in Port Sudan; 21.7 per cent of men do not wish to stay in Port Sudan but would prefer to return to their Province whilst 60.6 per cent of women wish to remain in Port Sudan regardless of their agricultural opportunities.

#### **6.4 Groups facing discrimination: migrants**

There is no consensus on whether migrants are better or worse off than the existing urban population. Sinha and Lipton (1999, 42) quote Brockerhoff (1995) who argues that "...migrants are strongly disadvantaged in Latin America, moderately disadvantaged in North Africa and appear to be no worse off in sub-Saharan Africa." However, migrants are more likely to experience health risks related to their homes and neighbourhoods as they tend to live in areas without basic services and infrastructure. De Haan (1997b, 41-2) suggests that: "It is often stated that migrants do fairly well in the urban labour markets, but this is due to their higher levels of education or their age cohorts." In his own research, he finds that migrant incomes were higher than that of the general population but is cautious as to the reasons for this finding (De Haan 1997b, 42).

Risks of an association between poverty and migrancy seem to be higher when the migrants are still relatively new to the urban areas. Fofack, Monga and Tuluy (FIND 9) suggest that in Burkina Faso, the incidence of poverty in towns other than Ouaga-Bobo increased from 10 per cent to 16 per cent between 1994-8. They suggest that this is largely a result of internal migration.

Potts with Mutambirwa (1998) report on the situation of recent migrants to Harare (Zimbabwe) in 1994 when the structural adjustment policies were causing considerable difficulties. The 203 migrants had all moved since 1990 (page 58-9). Most were working in the formal sector and all fell into the category of poor. Generally speaking, migrants were worried about price rises particularly of food and retrenchments. The authors conclude: "Urban destitution is becoming more evident in Harare in the 1990s, particularly for those who have no rural alternative such as the landless, widows and orphans."

Kothari (2002, 5) highlights the issue of international migrants. Beall, Crankshaw and Parnell (2001) discuss the problems faced by illegal immigrants in two settlements in Johannesburg (one inner city and one on the periphery of the city). In the second of these settlements, international migrants are excluded from residents' associations claiming legitimacy to speak for the settlement because they are not seen as legitimate members (ibid, 77). In Yeoville, the inner city area, the international migrants are treated with suspicion and hostility (ibid, 123-4).

A group of migrants in particular need are refugees. The issue of refugee settlements is considered above but in many cases refugees choose to live in regular settlements. Mann (2002, 115-6) describes the situation of Congolese children in Dar es Salaam (Tanzania). Their parents have chosen to live illegally in the city because of better economic opportunities and greater freedom. She argues that they face a particularly difficult situation because in addition to the lack of money and social exclusion of being poor, they lack basic services (even if their parents are legally there). "Health care is often prohibitively expensive and many refugee parents say that they cannot access care without bribing service providers." (ibid, 118). They are under pressure from their parents to be as invisible as possible, avoiding local residents, avoiding conflicts with other children and at school and accepting their status as second-class citizens. A similar picture of a community under suspicion and living in fear emerges in Colombia where internally displaced people are: "forced to find minimal shelter in urban slums with impoverished populations. There they live in abject poverty, often with no sources of income, no proper water or sanitation, and no access to medical care and education" (Global IDP Project 2002, 85).

### **6.5 Groups facing discrimination on grounds of ethnicity, race and caste.**

There are a large number of examples of groups that are discriminated against because of their race, ethnicity or caste. Justice cannot be done to the numerous discussions in the literature. Maxwell *et al.* (2000, 147) discuss the particularly problems faced by the Ga in Accra. Their vulnerability in part relates to the difficulties of continuing with traditional livelihoods as the city expands into their traditional areas. Gatabaki-Kamau, Rakodi and Devas (2000, 29) discuss the problems faced by coastal Africans in Mombasa who are "...disproportionately concentrated in unskilled and casual jobs."

In an urban context, the patterns of discrimination are complex. Discrimination may have a spatial dimension as noted above in the case of Accra and its expansion. In some cities, specific ethnic groups are concentrated in areas of low-services. Alternatively or simultaneously, discrimination may have an employment dimension as mentioned above in the case of Mombasa. Discrimination by trading activity is described by Benjamin and Bhuvanewari (2002, 53) in the case of Bangalore. In Bangalore, the concentration of ethnic groups in distinct trades provides a basis for new migrants to find employment, but also for these distinctions to be reinforced. Benjamin and Bhuvanewari (2002, 55) argue that such

categories enable alliances across ethnic groups (such as Muslim autolords and Hindu autorickshaw drivers). They also argue that in this case each ethnic group has rich and poor, providing some kind of welfare support for those in need although it is not clear that this happens in every case (ibid, 55).

## **6.6 Labour market outcomes**

Low wages are a major cause of poverty (Harris *et al.* (1990) quoted in Sinha and Lipton 1999, 46). Two emerging changes in urban labour markets appear to be consistent trends. First, the now well-established trend away from formal towards informal employment and second, falling real wages (in some countries).

As discussed below, there is a strong relationship between informality and poverty. Analysing experiences in Honduras, Costa Rica and Brazil, Sinha and Lipton (1999, 46) argue that poverty rates are higher among informal and unprotected workers. However, it may be too simplistic to argue that the problem lies only in the informal sector. Before turning to the informal sector, this discussion considers the relationship between low pay and chronic poverty. Whilst there are a considerable number of studies that touch on issues of low pay, the diversity of hypotheses, approaches and disciplines makes comparability very difficult.

As noted above, the falling real value of wages is an important cause of poverty. Fallon and Lucas (2002, 31 and 41) argue that the main effect of the financial crises in countries badly hit during the late 1990s was through inflation reducing the value of real wages. Results differ somewhat between countries; however, in urban areas both the self-employed and waged earners suffered. In Mexico, single self-employed workers suffered most (Fallon and Lucas 2002, 34).

Minujin (1995, 156-7) discusses the “new poor” in Latin America where sharp falls in real incomes have impoverished many previously middle-income households. His argument is that a new group joined “the poor” with the characteristics of higher income groups but with very low incomes. He illustrates the scale of problem in Buenos Aires (Argentina) (Minujin 1995, 163). The structural poor are those with “low level of education, high fertility, migration from the countryside or from a neighbouring country, physical location in the shanty towns or precarious neighbourhoods” (ibid, 163). In 1980s, 20.6 per cent of the population were poor, and over 80 per cent of this group were classified as the structural poor. By 1990, the percentage in poverty had risen to 34.5 per cent and the poor were almost evenly divided between the new poor and the structural poor. Forty seven per cent of the poor were the “structural poor” (about 16 per cent of the total population, a figure very similar to the earlier period) whilst 53 per cent were the “new poor.” There is some reason to believe that this group will find it easier to move out of poverty because relatively high levels of services reduce their exposure to health problems and higher levels of education better equip them to take up new opportunities. Whilst many discussions of the “new poor” have concentrated on Latin America, Maxwell, Levin Armar-Klemesu, Ruel, Morris and Ahiadeke (2000, 2-3) make use of a similar concept when analysing vulnerable groups in Accra (Ghana).

For those in the formal sector in Kampala (Uganda), allowances (for housing, transport etc. from formal sector employers) had become an important source of income; indeed, wages have become so low that they do not support families: “As a stark example of wage compression, 70 per cent of employees earn less than 10,000 Ushs in case wages, accounting for only 20 per cent of total remuneration” Bigsten and Kayizzi-Mugerwa (1992, 1430). Households were spending an average of 25 per cent of their income on health and education services, (even though most of these are supposedly largely financed by government.) The vulnerable are “... the elderly, widows, young single mothers, refugees from politically destabilised areas or households given them refuge...” (ibid, 1427) . The critical factor

related to their vulnerability is “Often the only source of income is an unlicensed staff by the road side to sell bananas, vegetables and the odd chicken.” (ibid, 1427).

It is the issue of income diversification that lies behind differing perspectives of the comparative vulnerability of urban and rural locations. Examining poverty in Egypt, Haddad and Ahmed (2002, 20) suggest “On average, urban livelihoods are probably less risky – being based on wage work (although being in an urban areas may be a risky business for the very poor, should they lose wage employment)...” Glewwe and Hall (1995, 6) considering poverty in Peru suggest that households are more susceptible to economic shocks if they are more integrated into the larger economy and that subsistence farmers may face fewer risks; hence rural residence reduces vulnerability. Aliber (2003, 10-12) suggests that whilst the chronically poor in South Africa are concentrated in rural areas, urban livelihoods can be problematic due to the dependence on wage labour and associated vulnerabilities.

It is almost universally agreed that the informal sector is becoming increasingly significant as an employer of labour. In Uttar Pradesh, “There has been a marked trend towards casualization of the workforce, with the proportion of casual labourers in UP having doubled from around 11 per cent in 1972/3 to almost 24 per cent in 1999-00. Moreover, two-thirds of households that primarily earn income from the casual wage sector number among the poor” (World Bank 2002, 74). Maxwell, Levin Armar-Klemesu, Ruel, Morris and Ahiadeke (2000, 1) note that in Accra the ratio of informal to formal workers was seven to one. Sikod (2001, 205) reports that in Yaounde (Cameroon) 57.3 per cent of the population are employed in the informal sector. The Urban Resource Centre (2001, 224) report that 75 per cent of those employed in the city of Karachi work in the informal sector; however, they add that there are close links to the formal sector.

However, just to warn us against over-generalization, Dutta (2000, 16-17) notes the reverse trend in Ahmedabad where the “...percentage of casual labour among males in this category decreased from 20 per cent to 13 per cent whilst that of regular workers increased from 45 per cent to 50 per cent.” At the same time, the percentage of households with annual income levels of less than Rs. 25,000 fell from 35.2 per cent in 1985/6 to 11.4 per cent in 1995/6. Moser (1997, 37) offers a more detailed analysis of male construction workers in Cisne Dos, a low-income area within Guayaquil, Ecuador (Table 7). The Table emphasises the complexity of labour market changes; casual employment has increased during the period but self-employment has declined.

**Table 7: Male construction workers by type of employment (percentage), Cisne Dos 1978-92**

	<b>1978</b>	<b>1988</b>	<b>1992</b>
Permanent/contractual	5	27	13
Casual	22	13	37
Self-employment	73	60	50
Total	100	100	100

As noted above, there is an association between low pay and employment in the informal sector. Sinha and Lipton with others (1990, 46) support this association with examples from Asia and Latin America. Alwang, Mills and Taruvinga (2002, 19) argue that the increase in urban poverty that took place in Zimbabwe in the early 1990s was particularly in those households that were dependent on earnings from the urban informal sector. Dutta with Batley (2000, 32) offer a graphic illustration of the problem in the case of earnings following the closure of textile mills in Ahmedabad. Monthly earnings excluding bonuses for mill workers were between Rs.1,500 to Rs.2,500. A study of 1,729 redundant mill workers found that for those in work, current monthly earnings were between Rs 723 (self-employment in manufacturing and repairs) to Rs. 1,156 (auto-rickshaw drivers).

In a somewhat rare, reverse example that warns once more about the dangers of generalisation, Gilbert (1997, 28) documents rising incomes together with increasing informalisation. The percentage of informal workers in the labour market in Bogota grew from 22 per cent in 1976 to 27 per cent in 1995; "... the combined effect of economic growth and falling rates of unemployment has been to improve average incomes and cut the number of workers in particularly low-paid work" (Gilbert 1997, 29). He quotes an earlier study to show that the number of "those living in misery" in Bogota (ie. those in acute need) fell from 26 to 4 per cent between 1973 and 1991 (Londono de la Cuesta 1992, 15 quoted in Gilbert 1997, 31).

However, as outlined in Box 6, many informal sector workers struggle to secure their livelihoods and women appear particularly vulnerable. Moser (1997, 40) notes that in Cisne Dos (Guayaquil, Ecuador), women working in the informal sector earn less than women in the formal sector – although the reverse trend is true for men. Box 6 describes the situation of women in the informal sector in Accra, Ghana and highlights the relationship between informal work, low pay and poor nutrition

**Box 6: Informal work, low pay and poor nutrition in Accra**

*An estimated 23.6 per cent of Accra's population is food insecure, consuming less than 80 per cent of their calorie requirements but spending more than 50 per cent of their budget on food. A further 39.2 per cent are vulnerable, spending more than 50 per cent of their budget on food but with an adequate diet. Of the quintile with the lowest expenditures, 62.2 per cent are food insecure. Twenty two per cent of children in food insecure households are stunted.*

*Among individuals over 10 years, 53 per cent work (ie. are engaged in some labour-based income-generating activity). Men and women's income generation activities differ markedly. By occupational category, unskilled labour and street food vendors have the highest proportion in the food insecure group. Those households in the lowest quintile of income are more dependent on self-employed marginal activities than other households. Unprotected waged work is more important for the two lowest income quintiles.*

*There is a strong relationship between expenditures and calorie adequacy. In the quintile with the lowest expenditures, 80 percent of the households fall below 80 per cent of the calorie requirement. There is a different relationship between male and female-headed households. Female-headed households spend more on food and buy cheaper calories – hence they are less food deficient.*

*Food is by far the largest item in household budgets accounting for 54.5 per cent of all expenditures. Expenditures on infrastructure (fuel, health, transport) together account for about 20 per cent of expenditure. Housing costs are low perhaps because many live in extended family compounds. Urban food purchases in Accra are characterised by a heavy dependence on purchased food commodities (90 per cent) including a substantial amount for street foods. Little food is given or produced within the households. For the lowest income category, 39 per cent goes on purchasing snacks and meals away from home. One reason is that it is possible to buy a small amount and that it reduces the time required to prepare food at home.*

Source: Maxwell, Daniel, Carol Levin, Margaret Armar-Klemesu, Marie Ruel, Saul Morris and Clement Ahiadeke. 2000. Urban livelihoods and food and nutrition security in Greater Accra, Ghana.

The vulnerability of the informal entrepreneurs to harassment by the authorities is a further significant problem (Rutherford, Harper and Grierson 2002, 123). This raises the issue of the relationship between poverty and the state which is the focus of the following sub-section.

### **6.7 Groups at risk: the poorly connected**

There is often an assumption that urban communities are not as supportive as rural ones. For example, Maxwell *et al.* (2000, 2) suggest in their introduction to urban poverty in Accra that: "...vulnerable groups in cities often have fewer informal safety nets (kinship and community networks)..." Meikle (2002, 42) and Phillips (2002, 135) note that there is a difference of opinion about the extent of social capital in urban areas about the extent of social capital..

The significance of informal networks in reducing the adverse consequences of poverty emerges from several studies. Maxwell *et al.* (2000, 42-43) find that in Accra kinship links remain important (although they have weakened significantly over time) and community organizations are numerous. Maxwell *et al.* (2000, 45) measured the significance of transfers between family members and friends, and find that 83 per cent of households reported that they had given or received such a transfer in the past six months. Twelve per cent of these transfers were between friends leaving the remainder between family members. Similar situations emerge from other studies. Over 20 per cent of households in low-income settlements in Abidjan choose their location primarily on the basis of relatives living close by (Yapi-Diahou 1995, 23). Huq-Hussain (1995, 56) notes that 16 per cent of female migrants to Dhaka obtained their first job with the help of friends and relatives. Ki Kim (1995, 191) found that 84 per cent of those living on a garbage dump in Seoul moved to the area "... through a recommendation from relatives, friends or acquaintances." Fallon and Lucas (2002, 36) quote Frankenberg, Thomas and Beegle (1999) who note that one quarter of Indonesian families received informal assistance from friends and family members during 1998. Moreover, Fall (135, 143) discusses how, for migrants to Dakar (Senegal), new social relations are created, added to existing networks.

Moving beyond from family and neighbourhood networks, some of those households with the lowest level of urban services and job opportunities are those who are poorly connected in situations in which resources are distributed primarily by patronage. As one recent study in HCMC describes:

In parallel to these horizontal relations, households enter into vertical protection networks operating according to Mafia-like (clientalist) logic. To find a job or obtain credit or an administrative favour, people look for backing by a protector, an influential person able to defend their interests and get them what they need. These are often small entrepreneurs or local political or administrative leaders. Generally, the various social relations that the households establish in their neighbourhood aim to ensure their integration in the urban environment. They are often of paramount importance for the survival of the poorest families. (Wust, Bolay and Ngoc Du 2002, 216)

Some emphasise the active engagement of the poor with the policy-making process and richer, more powerful, decision-makers. Benjamin and Bhuvanewari (2001, 2 and 35) use the term "porous bureaucracy" to encapsulate the process of lobbying and response and explain it thus:

This situation is made possible by a number of factors. Ethnic and social relationships between poor groups and those working at the lower level of the bureaucracy. This is reinforced by what is commonly called 'vote bank politics' requiring a complex political play of councillors and higher level politicians. (page 35)

Whilst emphasising the importance of ethnic and religious links in sustaining social networks, Benjamin and Bhuvanewari (2001, 73) also argue that networks extend across ethnic and religious lines. They believe it is such multiple identities and loyalties that lie behind the bargaining power and political strength of low-income communities (*ibid*, 74). Such an analysis contrasts with the more passive view of the urban poor in Bangladesh put forward by

Wood (2003, 22-23) when he argues that “Poor urbanites, and especially new migrants, have no option but to gain membership of such networks and patronage. The price for such loyalty is not to challenge the structural conditions, which in turn deny them long-term autonomy and rights” (ibid. 23).

But how can we use such studies to better understand the situation of those who are chronically poor? Amis (2002, 7) uses Benjamin and Bhuvanewari’s work together with related studies to argue that “... the processes of Decentralization and Democracy have allowed the poor more opportunities to lobby and make incremental collective gains...” However, it is not certain that benefits have accrued to those in chronic poverty and Benjamin (personal communication) also acknowledges that such lobbying activities may not include the poorest members of the community. Benjamin and Bhuvanewari (2001, 90) describe the difficulties faced by one community leader seeking to evict a poor widow. They argue that the community leader is restricted in his powers due to the potential of social sanction. Whilst in this case the woman was not evicted, it is clearly not possible to generalise from this example to argue that outcomes are always or even generally positive for the very poor. Etemadi (2001, 42 and 52-60) discusses experiences of trade associations in Cebu City (the Philippines) and it is evident that the more politically successful organizations represent the higher income traders. Mitlin (1999) argues that there is no particular reason to believe social capital is lacking, however, in respect of those who are the chronically poor, there is evidence that they are under-represented in community organizations. Phillips (2002, 127) draws on results of DFID’s work in India to suggest that the poorest households are the least likely to take part in neighbourhood groups.

Beard (2000, 374) suggests that extreme poverty may itself reduce social networks because of an inability to reciprocate. In a study in Yogyakarta (Indonesia), she emphasises that “In urban areas, not having food reflects not having the money to buy it; and if a household does not have the money to buy food, then it is unable to spend money on social obligations. The resulting social exclusion compounds the problems of poor families, isolating them from the social contacts who might be able to assist them.”

The financial cost of a lack of political (and perhaps simply elite) connections emerges in both Asia and Africa. Devas (2002, 219) notes “... the real cost of a clinic visit in Kumasi is said to be around ten times the official charge.” Whilst indicators such as political voice may be considered to be hard to measure, indicative figures can be estimated through monetary indicators. World Bank (2002, 28) reports that one study in Delhi found that, “...on average, 27 per cent of ordinary household who complained about a particular government service won redress with an average number of four required visits. In contrast, only 6 per cent of slum dwellers were able to get their problems solved, and on average slum dwellers has to make six visits in order to do so. ... In Delhi, for example, the average bribe paid by ordinary households as Rs 254; the average bribe paid in the slums was Rs 337.”

From this discussion, we can conclude that social capital is not lacking in urban areas but residents face a difficult challenge in strengthening the social relationships that can address rather than alleviate their poverty. There is some evidence to suggest that higher-income groups among the poor find it easier to secure political gains.

A further group suffering from being poorly connected are those who are willing to break the law, either for political reasons or simply because of their level of exclusion from the norms and conventions of established society.<sup>9</sup> Both criminal activity and resistance movements reoccur within an urban culture. Such groups and their members may be particularly vulnerable at times of dictatorship when legal institutions offer little protection to the poor.

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<sup>9</sup> Whilst recurring emphasis has been placed on the “cultural of poverty,” less attention appears to have been given to other psychological and social responses such as cultures of resistance.

Scheper Hughes (1993, 217-8) describes the situation in a north-eastern Brazilian town in the late 1980s. Young men in the squatter settlement of several thousand residents were killed and injured by the police and security guards of surrounding agricultural plantations. "Several young men of the Alto de Cruzeiro, each of them black, young and in trouble with the law for petty theft, drunkenness, vagrancy, glue sniffing and other infractions were seized from their homes just after Christmas in 1988 by unidentified men "in uniform" and were 'disappeared.' A few weeks later two of their bodies were found slashed, mutilated and dumped between rows of sugar cane.... The disappearance of young black men continues in Alto de Cruzeiro and in other poor *barrios* of Bom Jesus and is treated as a non-issue, not even thought worthy of a column in the mimeographed opposition newspaper of Bom Jesus...."

McIlwaine and Moser (2001, 968) refer to perverse and productive social capital in a study of violence in Colombia. In a context in which the poor themselves are more generally disassociated, such "perverse" institutions have a recognised attraction within the community (ibid, 981). The associations between chronic poverty, resistance and criminality are a further area of potential exploration.

### **6.8 Groups at risk: sick, incapacitated, disabled...**

Hardoy, Mitlin and Satterthwaite (2001) discuss the multiple health issues that affect the urban poor. Some of these have been touched on already, in particular, the problems related to the lack of basic services especially water and sanitation. Others include the additional risks related to high-density inner city areas; workplace and industrial accidents; high-risk locations at risk from flooding, landslips, and mud slides; air pollution from multiple sources including fuel wood; and lack of waste disposal.

Kabir, Rahman, Salway and Pryer (2000, 707) argue that the "In urban settings of developing countries, the combined effects of old pathogens and new health risks, including environmental pollution and stress are particularly high among the poor." They suggest that relatively little attention has been given to urban health. Whilst Cairncross, Hardoy and Satterthwaite (1990), Harpham ADDD and WHO (1992) have sought to raise the issue, it is probably true that it has been relatively neglected in favour of the thesis that urban areas are over-provided with health facilities. Perhaps even more neglected has been mental health issues. The discussion here looks first at some physical health issues before turning briefly to mental health.

Kabir, Rahman, Salway and Pryer (2000, 708) report on a twelve-month study of five low-income settlements in Dhaka (Bangladesh) in 1996-7. The most significant shocks included death of income earners, income earners becoming ill or disabled and (to a lesser extent) the sickness of non-working members. When households were asked for reasons to account for the deterioration in their financial situation, the major reason was the income earner becoming ill or incapacitated (22 per cent of responses) (ibid, 709). Reporting on the incidence and consequence of illness, 52.2 per cent of men and 66.2 per cent of women said they had been ill in the previous 14 days. Twenty one per cent of men and 21.4 percent of women said that they had lost workdays due to illness. The responses emphasise the vulnerability of the poor: "During my child's illness I did not go to work for one day but they deducted my salary for two days" (garment factor worker quoted in Kabir, Rahman, Salway and Pryer 2000, 711). In Accra, Maxwell *et al.* (2000, 40) note that focus groups identified significant livelihood shocks and primary among these is the loss of income from a primary income earning though death, abandonment, illness or accident. The association between poor health and vulnerability is also noted in Rawalpindi (Pakistan) by Beall (1997, 63).

The link between manual labour and health appears significant. Kabir, Rahman, Salway and Pryer (2000, 712) note: "Fear of employment loss often pushes sick individuals to resume work before complete recovery. Unskilled workers, engaged in hard physical labour, are

particularly vulnerable in this regard. Employment insecurity forces these workers into a cycle of repeated illness, poor nutritional status and low work productivity result in the continuous degradation of their human and material capital.” Amis and Kumar (2000, 192) have similar findings in a study of Visakhapatham (India); moreover, “[T]he problem is not one of direct ill-health but of overall nutritional level, poor diet, physical fitness and the severity of the physical labour.”

Aliber (2003, 18-19) quotes a study of urban areas in Cote d’Ivoire which shows that the average decline in households incomes when a household member becomes ill with AIDS is 52-67 per cent; “Meanwhile household health expenditure quadruples and food consumption declines by 41 per cent.” The implications of HIV/AIDS for chronic urban poverty are rarely considered although the broader impacts are assessed. For example, a recently analysis for Namibia suggests that growth will be 2 per cent by 2015 rather than the 3.5 per cent that might have been achieved without HIV/AIDS (World Bank 2001 Namibia, vi). It appears, from anecdotal evidence, that in Zimbabwe many urban dwellers return to their rural areas to live once they become sick with HIV/AIDS related problems. A better understanding of livelihood choices for HIV/AIDS sufferers is urgently needed.

The relationship between mental health and poverty has been little explored (see Hardoy, Mitlin and Satterthwaite 2001, 127-8 for a summary of some recent works). Beard (2000, 376) describes the analysis of one elderly widow who is herself living with her widowed daughter; “According to *Ibu Hedro*, the physical and psychological manifestations of poverty are independent...She described how a lack of food and proper clothing causes a person’s self-esteem and mental health to deteriorate.” Blue (1996, 95) discusses a study in Sao Paulo in three sub-districts: “The study revealed a highly significant ( $p < 0.001$ ) variation in the prevalence of probable cases of mental disorder across the three sub-districts: 21 per cent in Brazilandia (the lowest economic sub-district); 16 per cent in Vila Guilherme (the middle social economic sub-district); and 12 per cent in Aclimacao (the highest social-economic sub-district).” Focus groups in these regions help an understanding of the causes of mental health problems with major problems being poor physical infrastructure (and related problems of health in the family) and violence. Moser (1997, 79) discusses the problem of depression in Cisne Dos (Guayaquil, Ecuador) with 79 per cent of women saying that they thought other women in the immediate area suffered from this problem and 76 per cent acknowledging that they themselves had been depressed.

Violence can be both a cause and a consequence of mental illness as well as more general city stress. Sinha and Lipton with others (1999, 8) suggest that violence is a particular problem associated with the larger cities. “Violence (mostly murders) in Sao Paolo, Brazil, in 1992 accounted for 86 per cent of all deaths in males aged 15-19 years, and the death rate from murders for adolescent males from deprived areas was 11 times that of males from wealthier areas” (ibid, 22).

## **6.9 Strategies to escape poverty**

Drawing on the perspectives summarised above, this sub-section concludes this section by offering insights in how individuals and households might seek to reduce the incidence of chronic poverty and the risk of becoming chronically poor. Two messages clearly emerge from the literature considered here. First, as already noted, those households who have diversified their income sources are considered to have fewer risks (see, for example, Moser and McIlwaine (1997, 52) and Moser (1997, 58). Second, there is a strong association between education and a reduced probability of being poor, and by implication, chronically poor.

The importance of income diversification in maintaining households above poverty is emphasised in a study of 240 families in Kampala (Uganda) in which Bigsten and Kayizzi-Mugerwa (1992, 1436) note that farming has become a common activity despite a lack of

land and fines from the city council for farming in public areas. An estimated 70 per cent of output was sold with the suggested impact on consumption being significant. House, Ikiara and McCormick (1993, 1207) also emphasise the importance of urban agriculture; drawing on data from the 1986 Labour Force Survey on Nairobi, they conclude: “Almost 20% of the urban self-employed labour force are engaged in agricultural activities reflecting peri-urban areas located within municipal boundaries.” Pantuliano (2002, 32) notes that groups of rural migrants in Port Sudan (Sudan) keep animals both for family consumption and as an asset that can be sold in times of need.

Maxwell *et al.* (2000, 37) also note that “Household engaged in activities with the lowest returns – that is unskilled labor and petty trading – have the least diversified income sources.” However, once more diversity of urban experiences is highlighted as in this study of Accra only about 15 per cent of households have any agricultural activities and that these are not generally important either for consumption or for cash income (*ibid.*, 30). Reflecting on diversification more generally, 37 households of the 556 surveyed in Accra had had no income generating activities in the last 30 days and 33 of these were female headed. They were entirely dependent on transfers and remittances although this partly reflects the practices of one indigenous community in which the men live separately from the women. In an example from Asia, Kabir, Rahman, Salway and Pryer (2000, 716) also note the importance of income diversification for low-income households in Dhaka (Bangladesh).

Turning to education, World Bank Poverty Reduction and Economic Management Sector Unit, Latin American and the Caribbean Region (2002, iv) notes that in Bolivia individuals with more education have less probability of being poor. In main cities “...individuals ten years or older with no education at all had a probability of being poor of 60.9 per cent, as compared to 19.5 per cent for individuals with more than 12 years of schooling” (*ibid.*, iv). Haddad and Ahmed (2002, 19) suggest that the better educated are less likely to be poor with the highest “returns” to urban dwellers being to those with university education. However, “For women the returns to more education in urban areas are especially poor as public sector jobs have dried up” Haddad and Ahmed (2002, 19). Maxwell *et al.* (2000, 37) in the context of Accra: “Education is significantly and positively associated with higher per capita income levels.” Maternal schooling is associated with higher levels of household food availability, higher-quality diets, better care practices and behaviours, and better nutritional outcomes” Maxwell *et al.* (2000, 127).

Grimm, Guenard and Mesple-Soms (2002) drawing on five (varied) household surveys undertaken between 1985 and 1998 in Cote d’Ivoire have more complex findings. In summary, they suggest that households headed by a women are better-off than those headed by a man, non-Ivorians appear poorer but this ignores transfers home and savings, education is important in avoiding poverty and education above primary school even more so (Grimm, Guenard and Mesple-Soms 2002, 1082-3). The self-employed remain those most at risk from poverty (*ibid.*, 1985).

Other strategies have also been identified to explain the ways in which the poor seek to avoid poverty or escape from being poor. Such strategies include the strengthening of political connections through support for grassroots organizations (including traders associations) including federating (Appadurai 2001), and sector specific programmes targeting the old, young, ethnic groups and women. Considerable effort has been placed on providing credit to assist with small enterprise development, although, it has been argued that such strategies tend to assist the better off among the poor, rather than those in chronic poverty.

## **7. Conclusion**

The discussion above has pointed to the diversity of situations, causes and dynamics of chronic urban poverty. The discussion has emphasised the importance of being alert to the

multiple possibilities that may be found within any specific context and locality. However, commonalities do emerge from the experiences explored here, and some are considered in this concluding Section.

### **7.1 Understanding chronic urban poverty**

This analysis demonstrates the importance of working with measurements of poverty that are based on more than just income. The discussion in Section 4 emphasises how the consumption of essential goods changes, partly in relation to residential and income-earning options. Health (and health-related expenditures), for example, are critically influenced by where people live and by their livelihood strategies. Monetary indicators can be adjusted for changes in price levels between different urban (and urban and rural) centres but there is much that they do not take account of. Households expenditures vary both in relation to urban lifestyles and the dependency on labour and commodity markets, and in relation to the specific characteristics (especially services) in which a household or individual is living. To give just one example, the income a household requires depends in part of whether or not a household is connected to a piped water supply. Equally, income alone cannot begin to enable communities to address sanitation needs, for example. As Swaminathan (1995, 142) has argued in respect of low-income settlements including pavement dwellings:

A feature of the environmental deprivations identified here is that they are characterised by large externalities, for example, the health hazards of open defecation. A rise in private incomes, unless so large as to allow the individual to move to another environment, is not sufficient to eliminate these deprivations.... Public action, that is action by governments and organized groups and communities, is necessary to improve the environment in which people live and, in general, to raise their standard of living.

Hence it is important that analyses of poverty take into account access to basic services as well as incomes. In an urban context, basic needs approaches that simply take account of access to water, shelter and food may also be lacking. As illustrated above, many other goods may be needed. At the same time, and as discussed above, the dimensions of poverty cannot be represented simply by earnings, expenditure and access to basic services. The lack of basic services reflects their exclusion from political processes, whilst social discrimination further limits opportunities.

In respect of the groups identified as being particularly at risk in the overview paper for the Chronic Poverty Research Centre, the discussion highlights the importance of several of the categories noted in Section 2. In particular, the significance of life cycle, social discrimination resulting in exclusion, discrimination within the household, health problems and people living in areas subject to extreme stress all emerge from the discussion above. At the same time and as discussed below, in the urban context, ill-health as a result of poor living and working conditions arises as a consequence of poverty as well as a predictive factor. Moreover, the discussion here suggests that the living environment is perhaps more significant than indicated by Hulme, Moore and Shepherd (2001). This is likely to be true across diverse urban centres. Whilst those living in inner city face many problems, those living in small towns (for example), may be experiencing different but equally intense problems.

In respect of the causes and associated factors, the capacity to respond to change and transition emerges as being important in understanding the incidence and intensity of urban poverty in at least some of the areas considered. Urban areas are changing for demographic, political, economic and social reasons. An ability to respond to change is critical for households seeking to avoid poverty.

Meikle (2002, 48-9) argues that it is the combination of spatial characteristics (lack of services and unsafe physical environment) combined with an incapacity to flourish in the cash

economy and the denial of legal and political rights that characterises the situation of the urban poor.<sup>10</sup> These key variables are verified in the discussion above. However, it may be useful to identify two levels, the institutional context and individual responses. Hence we see the situation the urban poor thus:

**Table 8: Chronic urban poverty**

	<b>Institutional Context</b>	<b>Some Individual Responses</b>	<b>Groups at risk</b>
<b>Labour market</b>	Low pay for unskilled and skilled workers, no training opportunities, few credit opportunities, high levels of informality, much job insecurity, long hours in poor conditions, low growth in some cases resulting in low employment	Search for education and training, borrowing from friends and family for micro-enterprise development, acceptance of poor and dangerous working conditions to secure income, multiple jobs...	Old, young, those without good connections, those without skills and experience, those with little education, informal workers, those dependent on one trade, those facing discrimination in labour markets.
<b>Cash economy</b>	Multiple costs to meet basic needs (shelter, water, transport, health, education) in settlements that are often unsafe and insecure, lack of public utilities, costs of informality in accommodation, need for money ...	Opportunities for informal vending and renting, residential locations selected to trade off costs against opportunities, strategies to use informality as affordable first step, links with rural and peri-urban areas to secure food, urban agriculture...	Those without access to income, those living in areas with high costs for basic necessities such as water and sanitation, those who are without good connections, those with health problems or at an increased risk of poor health, families with high dependency ratios, those who have no source of income but the market
<b>Legal and political rights</b>	Lack of services for informal and illegal residents and enterprises, lack of protection against abuse by officials, lack of institutions able to safeguard and further citizen rights, no safety net...	Search for “patrons” to secure benefits despite lack of rights, payment of bribes, crime and violence as a response to exclusion, resistance for political and cultural reasons	Those without good political connections, the poorly educated, those facing ethnic or other forms of social discrimination.

<sup>10</sup> A similar three-fold distinction of income (or assets), rights and living conditions is made in the editorial of *Environment and Urbanization* 7(2): 6-7.

<b>Transition</b>	Population growth, urbanization, commodification, globalisation, political conflict, democratisation, changing livelihoods...	Migration (to and from urban areas, from smaller to larger cities), educational investment in children, changing cultural attitudes eg. with respect to gender and old people, households with divided livelihood structures in numerous locations	Groups that find it difficult to adapt such as (in some cases) the old, those whose livelihood strategies are reduced by urban growth, those dependent on limited range of income sources.
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Such factors need to be understood with reference to both structural and stochastic conditions as discussed in Section 2.

## 7.2 Understanding complexity

Wood (2003, 8) emphasises that it is co-variance of risks (or vulnerabilities) that is particularly important when understanding chronic poverty. In the examples considered above, the co-occurrence of factors appears to be significant. Hence, in the case of Nanjido in South Korea (Box 2), low pay combines with poor working conditions to increase health costs and increase the difficulties of moving out of poverty. Social exclusion plays a part in further reducing the opportunities, notably of children, to secure education. Exploitation by intermediaries adds to the difficulties of moving out of poverty. Such exploitation is often maintained by a lack of social contacts and investment capital. Multiple difficulties are also associated with life on the pavements in Mumbai. In this case, lack of services increases the costs of living and also endangers health. Eviction (and its threat) creates problems for maintaining incomes and accumulating assets. The consequences for education are not discussed but can be imagined. Similar themes emerge in Box 4 and the discussion of childhood in Payatas, Manila. The costs of basic services are high, health problems are considerable, and working hours for children appear long. Box 5 discusses the situation in Accra once more emphasising the high cost of services, low pay and consequential incidence of poverty.

Understanding the inter-relationships between this multiplicity of factors and how these relationships affect the intensity, length and nature of poverty is critical to planning effective interventions. Table 8 highlights a number of areas that have emerged as important in understanding the incidence of chronic urban poverty. But this identification offers few clues as to how poverty can most effectively be reduced.

## 7.4 Avoiding chronic poverty

In an overview paper such as this the weight of discussion is on description rather than interpretation. As the same time, the emphasis on poverty may have led to the impression that the poor are passive subjects, frequently overwhelmed by adversity. This concluding section provides an opportunity to explicitly recognise that many of the urban poor have done much to address their own needs. It is likely that those strategies also provide critical information for development agencies anxious to address poverty. At the same time, interventions have to work with and take account of such strategies.

From the discussion above and drawing on other experiences, the strategies of the poor may be grouped into five general categories:

- dependency-based strategies, in which the poor accept their structural situation and seek to improve their returns within the current institutional framework,
- plotting strategies in which the poor seek to identify how to improve their situation through amending but not directly challenging the constraints,

- exclusion strategies in which the poor accept the impossibility of advancement through “socially acceptable” means and use means associated with criminality,
- political strategies which vary and which may include armed resistance, partnership-based development models and democratically contesting for political power, and
- market-based strategies in which the poor use avenues of acceptable advancement, particularly around income-generation, employment and education.

At this stage, we can do no more than recognise that the nature of urban development is changing both because of structural changes and because of citizen aspirations and their responses to the development constraints that they face. As argued by Castells (1983, 68-70), the history of urban social movements suggests citizen action can influence domestic relations, political systems and the delivery of services. The history of people in cities has been a history of change. Castells (1983, 72) argues that urban social movements have influenced such change, even when they are unsuccessful. Any study of the ways in which urban poverty is created and maintained, needs also to recognise the poor as an active, if not always progressive, force.

There may be merit in seeking to understand chronic poverty through looking at the success of the strategies used by the urban poor to avoid poverty.

#### **7.4 Research needs**

What are the implications of this study for future research?

There is a recognised need for urban poverty to be better understood. This is not a new conclusion. Haddad, Ruel and Garrett (1999, 11), for example, argue for the need for more research on urban poverty, food insecurity and malnutrition. Such research, they suggest, need to integrate a multiplicity of relevant explanatory factors, develop generalisable results, address intra-urban differentials, take account of the links to rural areas and help to lead to poverty reduction. Amis (2001, 359) in his critique of the World Development Report 2000/1 points out the need for a better consideration of the dynamics of urban poverty and argues that this is essential to “practical and sustainable poverty strategies.”

This analysis in this paper points to some priorities for urban research which have already been highlighted in this concluding section:

- understanding measurement issues in urban poverty and what this means for identifying the urban poor and monitoring changes in urban poverty
- identifying and exploring the spatial, economic, social and political factors creating and maintaining poverty and particularly how these factors are correlated with each other and how they interact together
- assessing how the nature, depth and incidence of poverty is changing over time in the current economic, political and social context
- analysing what this means for effective and efficient inclusive poverty reduction strategies.