I. INTRODUCTION

URBAN POVERTY in low- and middle-income nations is often described in terms of spatial areas or types of housing (e.g. slums and squatter settlements) rather than by social group (e.g. low-income individuals or households). This has contributed to an assumption that the urban poor have similar characteristics and face similar difficulties. A focus on chronic poverty recognizes differences among “the urban poor”, and helps identify those who most need effective poverty reduction programmes.

A concern for chronic poverty takes into account the length of time that an individual or household experiences poverty, as well as the depth of their poverty. It differentiates between those for whom poverty is transitory and those who are poor over a number of years. The Chronic Poverty Research Centre considers poverty to be chronic if it lasts for five years, but other time periods can be used. The period used may reflect data availability – as in an analysis of urban poverty in Ethiopia, which draws on three surveys (1994, 1995, 1997), and which defines the chronically poor as those who were poor over this whole four-year period. This analysis found that 57.4 per cent of urban households were poor for at least one of these years and 21.5 per cent were poor in all three surveys. Much of the analysis of chronic poverty has been based on the period without adequate income, but the concept can also be applied to inadequate access to basic services such as water and education.

In most nations, the incidence of poverty (the proportion of people who are poor) is measured by setting a poverty line and by assessing how many people’s incomes or consumption fall below this. The poverty line is usually set at the income needed to purchase some approximation of “basic needs”. A consideration of the length of time that individuals and households have incomes below such a poverty line challenges us to recognize differences within “the poor”, not only in terms of the stability of their incomes or consumption but also in terms of power and social class. Thus, an emphasis on chronic poverty seeks to bring to any generalized poverty analysis a systematic understanding of how the incidence of poverty (or of deprivations that are part of poverty) vary within the population and over time. Such an analysis can highlight the groups whose incomes or food intake are most vulnerable to stresses or shocks.

Conceptually, adding this time dimension to poverty studies is easy to understand. But the different ways in which poverty is defined and measured influence not only the figures for the incidence of poverty but also trends in incidence over time. For instance, in China, official statistics greatly underestimate the scale of urban poverty (and thus of chronic poverty) by omitting low-income migrants from rural areas who live in cities but lack urban household registration. In Egypt, estimates of the incidence of poverty vary depending on whether the poverty line is based only on the cost of food, or also on non-food needs. The difference is dramatic – the proportion of the metro-

1. Various papers in earlier issues of Environment and Urbanization also highlighted the diversity in the housing sub-markets used by low-income groups – see, in particular, Vol 1, No 2 (1989) on the theme of “Beyond the stereotype of slums: how the poor find accommodation in Third World Cities”.

2. Hulme, D, K Moore and A Shepherd (2002), Chronic Poverty: Meanings and Analytical Frameworks, Working Paper 2, Chronic Poverty Research Centre, University of Manchester, UK.


Politicised Egyptian population below the poverty line in 2000 varied from 5.1 per cent to 31.3 per cent depending on which poverty line was used. Similarly, two studies considering urban poverty in Ethiopia drew on the same data but adjusted differently for regional price differences; one suggested an increase in poverty between 1995 and 1997, while the other suggested a decrease. The use of a single set of figures for setting poverty lines, or of different prices for urban and rural areas, may not reflect the actual differences in prices within a country, and so will produce misleading figures for the incidence of poverty and, where data are available over time, of chronic poverty.

Although successive national surveys can show the proportion of households that suffer from chronic poverty, insights into chronic poverty are more likely to come from studies that look at specific groups within cities – particular occupational groups (such as rickshaw pullers in Dhaka, informal traders in Kinshasa), particular age groups (for instance, children) or those living in particular settlements. Some studies focus on particular deprivations – a study of informal settlements in Aleppo, Syria, for instance, looked at how a lack of services and low state investment, together with high densities, create difficult and unhealthy living environments and significant health problems, with children especially facing greater risks. Other studies highlight the multiple deprivations faced by residents of particular settlements; a study in two low-income suburbs of Cape Town considered aspects such as wage labour and other income sources, educational attainment, access to services, expenditure and food security, and health status. A Jamaican study showed the multiple ways in which “garrison” communities are excluded from benefits that other citizens secure. A study of two low-income settlements in Cairo showed how many poor families are excluded from a state social assistance programme.

Our understanding of chronic poverty and what underpins it is hampered by the lack of official data, and an understanding of chronic poverty often requires new information. For a more differentiated understanding of poverty, a study in Dhaka considered the length of time rickshaw pullers had worked in this trade. The Kingston, Jamaica, study (above) examined changes over time in particular low-income settlements and in the whole city, not only for the incidence of poverty but also for the provision for water, sanitation and electricity and the mean number of days of illness (among other social and economic indicators). A consideration of such temporal issues produces a more differentiated picture of deprivation, helping to expose the specific forces associated with particular situations. As these studies and others have shown, the poor are highly differentiated by such factors as age, gender, educational attainment and ethnicity, all important correlates with different incidences and intensities of poverty. Also relevant in the urban context is the spatial differentiation of the poor; different problems, for example, are associated with inner-cities, urban peripheries and smaller towns.

Knowledge of such differentiation is important for effective poverty reduction strategies, the benefits of which are often captured by those who are better off. Many programmes do little to ensure they reach the poorest groups, including those who face chronic poverty. Reaching these groups is essential for ensuring that the Millennium Development Goals are not achieved simply by reaching those who are better off among the poor, leaving the poorest behind.

II. WHAT DOES IT MEAN TO BE POOR IN URBAN AREAS?

a. Hunger

- In Greater Nyanga and Khayelitsha (Cape Town), “…an average of 43 per cent of households experience a food shortage at any given time of the year…alarmingly, more than half of all the households (54 per cent) rarely or never consume meat or eggs, 47 per cent rarely or never eat fruit, and 34 per cent rarely or never have vegetables.”

- Dhaka’s street children lack a balanced diet – although they may eat better than children living with their families in urban and rural areas, due to their greater control over incomes.

- In Kinshasa, 31 per cent of children suffer from chronic malnutrition, and shopping habits indicate that many households consume only one meal a day.

- Residents of two low-income settlements in Cairo only eat meat at Muslim feasts, when people donate meat in poor areas. Those without work lack food, unless the family can borrow.

- In three cities in China, where there is a rapidly growing urban underclass, over half the poor families never eat meat.

- In Addis Ababa, sex-related activities may be used to secure food: “It is better to die of HIV/AIDS after ten years than die from starvation now.”

b. Other deprivations and their underlying causes

Poverty in urban areas is critically influenced by labour markets. At its core, urban poverty results...
The urban poor, unable to sustain themselves except through the market, find their poverty embedded within limited income-earning opportunities. If they cannot find a living through their labour, they take up informal sector activities that, without capital, offer only very low returns. The move to the city, far from creating economic opportunities for the rickshaw dwellers, results in a perpetuation of poverty:

“Shifting themselves and their families to urban areas seems only to reduce the prospects for escaping poverty in the longer run, since children are more likely to remain uneducated. This inter-generational transfer of poverty can then ‘reverse’ during the rickshaw pullers’ later life, when children who have not escaped poverty remain largely unable to support their ageing parents.”

One of the main reasons for this, evident in many cities, is the high level of competition for jobs. The Cape Town case study (above) found that only 23 per cent of adults in two informal settlements had formal permanent jobs; most of the rest worked in the informal sector. Case studies of Kinshasa and Dhaka, however, emphasize the limited livelihood opportunities even within the informal economy. At a time when many national Poverty Reduction Strategy Papers place considerable emphasis on the informal sector as a source of job opportunities, those researching the sector recognize the many problems associated with such employment. In Kinshasa, over 90 per cent of those interviewed in the informal sector would have preferred to work in the formal sector, largely because of greater income security and access to services (which may be attached to jobs in the city). As noted above, the informally employed rickshaw pullers face very real limitations in their capacity to move out of poverty – and government employment strategies need to recognize the long-term health implications of this work.

Many case studies of urban poverty indicate that a significant proportion of the individuals or households facing difficulties in securing adequate housing, health and well-being are not formally considered to be poor. The rickshaw pullers in Dhaka earned the equivalent of US$ 2.40 a day in 2003, above the threshold of the “US$ 2 a day” poverty line and well above the “US$ 1 a day” that has so captured the attention of aid agencies (and which is the main “poverty line” used to evaluate changes in the incidence of poverty within the Millennium Development Goals). More than three-quarters of households in Khayelitsha and Greater Nyanga (Cape Town) with at least one wage earner did not earn enough to push income per adult-equivalent over a South African poverty line of R 560 per month, but this is also well above the “US$ 1 a day” level. One of the main reasons why urban poverty is underestimated in many nations is because poverty lines are all too low to purchase what is needed for long-term survival and advancement because of a lack of employment opportunities, low wages and/or low returns from informal vending or other forms of self-employment. The incidence of urban poverty is often increased by a reduction in secure jobs – this has contributed considerably to the growth of a poor urban underclass in China. In Addis Ababa, an increasing proportion of households are engaged in casual work with the number relying on such work being much higher among the chronically poor.

Urban poverty is much influenced by commodity markets – especially the extent to which, and the amount which, urban dwellers have to pay for food and non-food essentials. For most urban residents, there are few if any opportunities to secure outside the market such essential goods and services as access to water, sanitation, housing (whether rented, purchased or self-built), transport and, often, health care and schools. In most urban contexts, there is a clear relationship between vulnerability to the market, low pay, lack of assets (for education or management of short-term crises) and ill-health. Ill-health or the depletion of assets further increase vulnerability to the market. This cycle can prevent advancement out of poverty and can increase vulnerability to stresses and shocks.

In China, despite rapid economic growth over many years, there has also been rapid growth in a new urban “underclass”, comprised of recently laid-off workers (linked to state reforms to increase efficiency that have reduced job security), underpaid and underprivileged migrant workers from the countryside, and others who have fallen into penury. This also helps explain the rapid growth in protests in China.

Development experts and agencies concerned about poverty generally focus on rural development. The urban focus of this Brief is not intended to underplay the significance of rural poverty, but it does seek to highlight the need for a better understanding of the nature of urban poverty (including chronic poverty) and the underestimation of its scale. It also seeks to highlight the relationships between urban and rural poverty as, for instance, in the case of rural–urban migration in China (above), or in the case of the many rickshaw pullers in Dhaka, Bangladesh, who were among the extreme rural poor before they moved to urban areas, seeking to improve their situation.

Both rural and urban poverty are associated with exclusion from market opportunities. However, the urban poor, unable to sustain themselves except through the market, find their poverty embedded within limited income-earning opportunities. If they cannot find a living through their labour, they take up informal sector activities that, without capital, offer only very low returns. The move to the city, far from creating economic opportunities for the rickshaw dwellers, results in a perpetuation of poverty:

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“Their access to the urban informal labour market can double their income-earning capacity compared to what they could earn in rural areas. However, such a direct comparison is difficult given the differ-
ent costs of living and the higher taxes/ bribes children pay in urban areas... to mastaans (mafia members), matabbars (community leaders), police, guards, and station and launch senior staff. Girls are subjected to higher taxes than boys, even when performing the same work... taxes paid by girls could easily reach 50 to 60 per cent of their income, while those of boys were usually between 30 and 50 per cent."(32)

A study of informal land delivery processes in six African cities found that land on which housing can be built is difficult for the poor to access and, hence, rent paid for housing is now an essential expenditure for them. The Kinshasa study showed the high prices paid by street vendors to rent poor-quality accommodation lacking in basic services; it was common for street-vendor households to occupy only one room. (34)

With particular relevance to chronic poverty is the inability to accumulate assets, as in the case of the rickshaw pullers in Dhaka, who literally “use up” their labour power pulling the rickshaw, and face a difficult old age. Household expenditure, like income, declines with the duration of rickshaw-pulling, and is almost 10 per cent lower among long-standing rickshaw-pulling households than among households of those who recently joined the occupation.

In the context of low incomes and few assets, households are vulnerable to crises. With the lack of basic services, health crises, in particular, are common. In the case of Dhaka:

“An extraordinarily high proportion (75 per cent) reported having encountered at least one crisis over the last five years, with an average incidence of two major crises per household. Of these, two-thirds of the crises and almost half of the crisis-related expenses are related to health shocks.”(35)

A particular challenge faced by a growing number of urban households is that of HIV/AIDS, both in terms of reducing adult capacity to work (and the loss of income earners through premature death) and in terms of expenditure on treatment and of sufficient food (which is so important to keep down vulnerability to infection). (36)

Many studies of urban poverty note the problems faced by those living in peripheral areas, both in terms of transport costs and in securing employment. Even physical distances that are easily travelled in some urban areas become difficult obstacles where there is little affordable transport – costs are simply too high relative to the incomes that could be earned. For instance, in the settlement of El-Zelzal in Cairo, transport is a major issue for residents. In two of Cape Town’s poorest suburbs, some 40 per cent of the main breadwinners take more than an hour to reach their workplace, and 60 per cent pay more than R 20 a day for transport – equivalent to more than US$ 3 a day.

III. STATE ACTIONS: PROGRAMMES, POLICIES AND PATRONAGE

IT IS DIFFICULT to conceive of how state action can influence the primary underpinnings of urban poverty, namely the lack of income-earning opportunities for large sections of the population and the high costs of many necessities. Labour and commodity market outcomes are the result of many small decisions made by businesses, employees and consumers, and are notoriously hard to influence. In this context, what should be the role of the state and, particularly, of local government?

Even when there are specific pro-poor policy and programme responses, there are usually serious shortcomings. For instance, in the two settlements in Cape Town mentioned above, welfare payments to supplement incomes, such as pensions or grants for children, make a significant difference to the group earning between R 500 and R 1,000 per month. However: “…the lowest-income group earning less than R 500 a month seems to have the least chance of obtaining grants (31 per cent of households).”(37) In Egypt, the Social Aid and Assistance programme was shown to be inadequate and arbitrary when examined with regard to the inhabitants of two low-income settlements. For a widow with two children, the grant offers at most 22 per cent of the World Bank poverty line for Egypt; for many families able to apply, the monies offered were considerably lower than the amounts required. Moreover, nationally, this programme reached only 230,000 households – far fewer than the number below the poverty line. (38)

Government incapacity with regard to service provision is also evident in both countries. In the Cape Town settlements, only 8 per cent of households reported having water supplies in their homes, and 41 per cent used public taps. Sanitation was equally lacking:

“Only 17 per cent of households had a toilet inside their home, with the majority of households sharing outside toilets. Thirty per cent of households reported difficulties in accessing a communal toilet, and 10 per cent had no access to toilets.”(39)

This is not to say that government policy is irrelevant. Indeed, one of the frequent earlier associations with increases in urban poverty in the 1990s was retrenchment and reduction in the number of government employees. But it does suggest that regardless of the positive intentions, governments face real difficulties in addressing the needs of the urban poor.

With regard to the relationship between the poor and government structures, clientelism prevails
in many low-income urban settlements – the poor (nominally at least) accept their dependence on political patrons, whom they support (generally with votes) in return for favours relating to access to employment, basic services and/or other state resources. This reflects the lack of alternative means for allocating scarce resources. In many low-income settlements, those living in informal settlements without an official address may be denied all government services and be disqualified from accessing services to which they should have a right – for instance, schools for their children, subsidized basic commodities or health care. In “garrison communities” in Kingston, everyday life is entrenched not only in political patronage but also in crime and violence, which means that poverty reduction requires policies to break the stranglehold of political and criminal elements.\(^\text{43}\)

It is important to consider not only the effectiveness of government policies “for poverty reduction” but also the impact of other government policies on poverty. For instance, city redevelopment schemes and associated infrastructure investments can have an effect on the creation or exacerbation of poverty. As noted by a person in a low-income settlement in Cairo who was at risk of resettlement, a two-bedroom apartment in the middle of nowhere will not feed you. In Cairo, government officials claim to be providing the traditional waste collectors (the Zabaleen) with “safer and more sustainable settlements” and improved livelihoods, as they move them to new locations and replace their solid waste management services with a modern private-sector managed system. But this is likely to impoverish most of the Zabaleen – and the main motive for government action may be to open up the former Zabaleen settlements for redevelopment.\(^\text{44}\) In Karachi, the government plans to build an expressway along the Lyari River that would destroy the livelihoods of 40,000 wage earners and the schools of 26,000 students, as well as tens of millions of dollars worth of investments by households and communities, despite alternatives that would cause little disruption to existing settlements and that would greatly reduce the number of families affected.\(^\text{45}\) These are both examples of government action that actually creates or exacerbates urban poverty.

\section*{IV. THE “UNDESERVING” POOR}

AS THE URBAN poor struggle to find their livelihoods within labour and commodity markets, the issue of exclusion also emerges. The negative judgements made on those living in garrison communities in Jamaica have already been noted. Similar themes emerge in other papers. For example, concerning the street children of Dhaka:

“They (mainstream society) call us kangali (destitute) and they say to us: ‘What are you doing on the street? Go back home, find yourself a good job, don’t dishonour your family’… But we are not kangali … we are working for living and we also do many other good things.”\(^\text{46}\)

In Egypt, the process of getting the documents needed to access social assistance programmes is cumbersome, challenging, lengthy, unclear, expensive and can be humiliating for the illiterate and poor, causing some people to give up.\(^\text{47}\) In China, those who are without work are commonly blamed for this. Despite real structural constraints, the lack of income and of access to services are often compounded by blame and discrimination.

\section*{V. CONCLUSION}

ALTHOUGH DETAILED STUDIES of urban poverty have been undertaken in only a small proportion of cities – and even fewer smaller urban centres – the multiple and overlapping causes of poverty are evident. These include low pay and insecurity within labour markets, a purchasing power too low for basic needs, a lack of basic services, and (for some at least) discrimination. It is equally evident how little development programming addresses the needs of the chronically poor in urban areas on a scale and with the diversity that is appropriate. As the world population becomes increasingly urbanized, the problems of urban poverty are likely to grow. In both Asia and Africa, two-fifths of the population are in urban areas, and Latin America is already predominantly urbanized. The focus on chronic poverty highlights the fact that the poorest and most disadvantaged face significant problems in their struggle for development.
Editor’s introduction: Chronic poverty in urban areas – Diana Mitlin
Pulling rickshaws in the city of Dhaka: a way out of poverty? – Sharifa Begum and Binayak Sen
The Social Aid and Assistance programme of the government of Egypt – a critical review – Sarah Sabry
Understanding urban chronic poverty: crossing the qualitative and quantitative divide – Abbi Mamo Kedir
Street enterprises, urban livelihoods and poverty in Kinshasa – Guillaume Iyenda
Urban livelihoods from children’s perspectives: protecting and promoting assets on the streets of Dhaka – Alessandro Conticini
The nature of poverty in the garrison constituencies in Jamaica – Aldrie Henry-Lee
Urban poverty in Cape Town – Cobus De Swardt, Thandi Puoane, Mickey Chopra and Andries du Toit
Settling with danger: conditions and health problems in peri-urban neighbourhoods in Aleppo, Syria – F Hammal, J Mock, K D Ward, M F Fouad, B M Beech and W Maziak
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Sustaining Cuttack’s urban service improvements: exploring the levers – Jitender Pal

Feedback

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Electronic versions of these papers (in .pdf format) are available at no charge to teaching or training institutions, and to NGOs from Africa and low- and middle-income nations in Asia and Latin America; send requests to humans@iied.org.